ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION

TERM OF AGREEMENT, SERVICE PERIODS, AND TERMINATION OF AGREEMENT BY CUSTOMER:

Service Periods under this tariff normally will begin on January 1 and continue for one calendar year. Customer may enter into an Agreement at any time during the calendar year; however, if Customer enters into the Agreement after March 1 of any year, the first Service Period under this tariff will begin at the start of the following calendar year. If Customer enters into the Agreement prior to March 1 of any year, the first Service Period will begin on the first day of the following month and will consist of the remainder of that calendar year. Customer's Number of Interruptible Hours (Ha) for the first Service Period will be reduced to a level that is reasonably representative of the Number of Interruptible Hours remaining for that calendar year, determined at the discretion of the Company.

At any time during the first Service Period under this rate schedule, Customer may opt to cancel the Agreement by returning all Monthly Credits paid by Company up until the date of cancellation. No additional payment will be assessed. Economic buy-through payments made by Customer and Economic buy-through penalty charges shall not be refunded by Company. Capacity Interruption penalties shall be refunded.

Any Customer who otherwise terminates the Agreement prior to the end of its term shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times Customer's CIL, times Customer's MCR for each of the remaining months of the unexpired contract term. In addition, Customer shall reimburse the Company for the direct cost incurred by the Company for equipment (including its installation cost, less salvage value) to measure Customer's Interruptible Demand and to interrupt Customer.

OBLIGATION TO INTERRUPT:

A Customer taking service under this tariff is required to reduce its load to the level of the Contract Firm Demand specified in the Agreement when Company schedules an interruption pursuant to the terms and conditions specified herein. Company shall have the right to interrupt Customer's available interruptible load for the total Number of Interruptible Hours (Ha) specified in the Agreement.

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INTERRUPTIBLE CREDIT OPTION

CUSTOMER SPECIFIED TERMS, CONDITIONS, AND SERVICE OPTIONS :

Contract Firm Demand - the Contract Firm Demand shall be specified by Customer in the Agreement. The Contract Firm Demand of an existing Customer taking service under this tariff may not be changed unless approved by Company.

Number of Interruptible Hours (Ha) – the Number of Interruptible Hours (Ha) shall be specified by Customer in the Agreement. The options are: 40 hours, 80 hours, or 160 hours annually.

Four (4) Hour Minimum / Waiver of Four (4) Hour Minimum - an interruption shall be a minimum of four (4) hours in duration. In the Agreement, however, Customer may elect to waive the 4 hour minimum, in which case, the interruption may be less than 4 hours in duration. The duration of any interruption shall not be less than one hour.

One Hour Notice / No Notice Option - Company shall provide notice a minimum of one hour prior to the start of the interruption. In the Agreement, however, Customer may allow Company to interrupt Customer's load without providing prior notice of the interruption.

ECONOMIC INTERRUPTION:

Company shall have the right to call an Economic Interruption for one or more Customers once per day when Company determines, in its sole discretion, that calling an interruption will lower its overall system costs when compared to what the overall system cost would be in the absence of the interruption. The duration of any Economic Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum and, in such case, the duration shall not be less than one hour. Company will provide notice at least one hour prior to an Economic Interruption.

BUY-THROUGH - ECONOMIC INTERRUPTION:

Once Company has called an Economic Interruption, Company will provide Customer, via the contact methods identified on the Contact Information Sheet of the Agreement, with the estimated buy-through price for each hour of the interruption period. Such notice shall advise Customer of Company's best estimate of the buy-through price. Customers must notify Company forty-five (45) minutes prior to the start of an Economic Interruption if they elect to buy-through all or a portion of their available interruptible load by logging into the ICO Web Site at the address provided in the Agreement and indicating their buy-through request for each hour of the Economic Interruption period. The ICO Web Site shall advise Customer of

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BUY-THROUGH - ECONOMIC INTERRUPTION: (cont.)

Company's best estimate of the buy-through price for each hour of the Economic Interruption period.

The buy-through price shall be calculated by taking the weighted average cost, as determined by the Company's Cost Calculator or its successor, plus three mils per kWh, for the block of electricity used to serve Customer(s) who elected to buy-through. For purposes of this calculation, Company shall assume that the block of electricity used is the highest cost block of electricity consumed in each buy-through hour.

If Customer elects to buy-through the Economic Interruption, it must continue to buy-through all hours of the interruption period unless Company provides notice to Customer of an updated buy-through price for any hour of the interruption that exceeds the original estimated buy-through price for the hour in question, whereupon Customer that elected initially to buy-through the Economic Interruption will have 15 minutes after being provided notice of the updated estimated price to advise the Company that such Customer desires to be interrupted at the start of the next hour. Once Customer chooses to interrupt, Customer will be interrupted for the remainder of the interruption period, as determined by the Company.

If Company chooses to extend an Economic Interruption from the original notification, all ICO Customers affected by the Economic Interruption will be provided notice of the opportunity to buy-through or interrupt for the duration of the Economic Interruption extension period. Economic Interruption extensions may be less than four hours in duration.

Customer may provide advance election to buy-though up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply, and shall be delivered to Customer's service representative by electronic mail as provided in Customer's Agreement. Any Customer with a standing buy-though order shall have the option, up to 45 minutes before the start of an event, to advise Company that it desires to be interrupted. Further, in the event that the buy-though price exceeds the Customer-specified price, Customer may nevertheless elect to buy though the interruption by providing the Company with the required notice within 45 minutes.

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INTERRUPTIBLE CREDIT OPTION

CAPACITY INTERRUPTION:

Company shall have the right to call a Capacity Interruption for one or more Customers at any time when Company believes, in its sole discretion, that generation or transmission capacity is not sufficiently available to serve its firm load obligations, other than obligations to make intra-day energy sales. Capacity Interruptions will typically be called when the Company forecasts or, on shorter notice, has presently scheduled all available energy resources that are not held back for other contingency or reserve purposes, to be online generating to serve obligation loads. The Capacity Interruption may be activated to enable the Company to maintain Operating Reserves, consisting of spinning and non-spinning reserves, ensuring adequate capability above firm system demand to provide for such things as regulation, load forecasting error, equipment forced outages and local area protection. A Capacity Interruption may be called to relieve transmission facility overloads, relieve transmission under voltage conditions, prevent system instability, relieve a system under frequency condition, shed load if SPS is directed to shed load by the Southwest Power Pool (or subsequent regional reliability organization) Reliability Coordinator, and respond to other transmission system emergencies.

The duration of any Capacity Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration and, in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted for any Customer, if the Customer has less than four hours remaining of its Number of Interruptible Hours.

CONTINGENCY INTERRUPTION: Company shall have the right to call a Contingency Interruption for one or more Customers receiving service under the No Notice Option at any time when the Company believes, in its sole discretion, that interruption is necessary for the Company to be able to meet its Disturbance Control Standard (DCS) criteria. Contingency Interruptions will typically be called by the Company following the unexpected failure or outage of a system component, such as a generator, transmission line or other element. Interruptible loads that are qualified as Contingency Reserve may be deployed by the Company to meet current or future North American Electric Reliability Corporation (NERC) and other Regional Reliability Organization contingency or reliability standards. The current standard is the DCS, which sets the time limit following a disturbance within which a Balancing Authority (BA) must return its Area Control Error (ACE) to within a specified range. In other words, a Contingency Interruption will be activated to help restore resources and load balance after an unexpected resource outage.

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The duration of any Contingency Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration and, in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted if Customer has less than four hours of interruption available to use the remaining hours.

FAILURE TO INTERRUPT

Economic Interruption - In the event that Customer fails to interrupt during an Economic Interruption, Customer will be deemed by the Company to have failed to interrupt for all demand that Customer was obligated to interrupt, but did not. The failure-to-interrupt charge shall be equal to the highest incremental price for power during the Economic Interruption plus three mils per kWh, as determined by the Company after the fact, including market costs, unit start-up costs, spinning reserve costs and reserve penalty costs, if any. The charge will only apply to the portion of the load Customer fails to interrupt.

Capacity or Contingency Interruption - In the event Customer is directed to interrupt and fails to comply during a Capacity or Contingency Interruption, Customer shall pay the Company fifty percent (50%) of Customer's expected annual credit rate times the maximum 30 minute demand recorded during the event for all demand that Customer was obligated to interrupt, but did not. The penalty will apply only to the portion of the load that Customer fails to interrupt. After Customer fails to interrupt twice, the Company shall have the option to cancel the Agreement. If the Agreement is cancelled by the Company, Customer shall not be eligible for service under this tariff for a minimum of one year, and Customer will not be liable for the payment of 110% times the Customer's CIL, times Customer's MCR for each of the remaining months of the unexpired contract term, as previously specified under term of agreement, service periods, and termination of agreement by customer. For determining compliance during a Capacity or Contingency Interruption, the first and last fifteen-minute interval of each event shall not be considered. If Customer's violation is less than 60 minutes in duration, not including the first and last control period intervals, then Customer's penalty shall be: (1) be reduced by 75% if the violation is 15 minutes or shorter; (2) reduced by 50% if the violation is 16 to 30 minutes in duration; and (3) reduced by 25% if the violation is 31 to 59 minutes in duration. This provision does not apply to Economic Interruptions.

If Customer is a No Notice Option Customer and Company controls Customer's load through the operation of a Company installed, operated, and owned disconnect switch, in the event that Customer violates a Capacity or Contingency Interruption, Customer shall not be penalized unless evidence of tampering or bypassing the direct load control of Company is shown.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION

Capacity or Contingency Interruption (cont.) -In the event that Company issues a Capacity or Contingency Interruption during a time in which the Customer's phone line is not working, the above described penalties shall apply if Customer fails to comply with the interruption.

BILLING AND MONTHLY CREDIT:

A Customer electing to take service under this tariff shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period. Company shall apply a Monthly Credit to Customer's monthly bill, pursuant to the terms and conditions specified herein.

The Customer's Monthly Credit shall be calculated by multiplying the applicable Monthly Credit Rate (MCR), as shown on the following table, by the lesser of the Customer's CIL, or the actual Interruptible Demand, during the billing month. The applicable MCR is determined by how the Customer is connected to the grid, the Number of Interruptible Hours (Ha) selected by the Customer in the Agreement, and the season of the year.

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INTERRUPTIBLE CREDIT OPTION

Monthly Credit Rate (MCR)

		ONE HOUR NOTICE OPTION		NO NOTICE OPTION	
Ha	GRID CONNECTION	WINTER PER kW MONTH CREDIT	SUMMER PER kW MONTH CREDIT	WINTER PER kW MONTH CREDIT	SUMMER PER kW MONTH CREDIT
40					
	SUB-TRANSMISSION	$1.58	$2.25	$1.84	$2.62
	BACKBONE-TRANSMISSION	$1.57	$2.23	$1.83	$2.59
80					
	SUB-TRANSMISSION	$2.63	$3.74	$3.06	$4.34
	BACKBONE-TRANSMISSION	$2.61	$3.70	$3.03	$4.30
160					
	SUB-TRANSMISSION	$4.03	$5.73	$4.68	$6.65
	BACKBONE-TRANSMISSION	$3.99	$5.67	$4.64	$6.58

Contract Interruptible Load (CIL) - Customer's CIL is the median of Customer's maximum daily thirty (30) minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m. Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year, less the Contract Firm Demand, if any. If Customer has no history in the prior year or Customer anticipates that its CIL for the upcoming year will exceed the prior year's CIL by one hundred (100) kW or more, at Customer's request, Company may, in its sole discretion, estimate the CIL. In extraordinary circumstances, Company may calculate CIL using load data from the year prior to the year normally used to calculate the CIL, if Customer has shown that, due to extraordinary circumstances, the load data that would normally be used to calculate its CIL is less representative of what Customer's load is likely to

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INTERRUPTIBLE CREDIT OPTION

Contract Interruptible Load (CIL) (cont.) –
be in the upcoming year. For existing Customers, Company shall calculate Customer's CIL to be used in the upcoming year by December 31st of the current year. If the Company determines that Customer's CIL to be used in the upcoming year is less than 500 kW, then the Agreement shall terminate at the end of the current year. If the Company determines that the combined CIL of all existing Customers to be used in the upcoming year exceeds 85MW, then those existing Customers whose CIL is greater than the prior year's CIL may be required to reduce their CIL (by increasing their Contract Firm Demand) proportionally, so that total CIL does not exceed 85MW.

Interruptible Demand –Customer's Interruptible Demand is the maximum thirty (30) minute integrated kW demand, determined by meter measurement, that is used during the month, less the Contract Firm Demand, if any, but not less than zero. Interruptible Demand is measured between the hours of 12:00 noon to 8:00 p.m. Monday through Friday, excluding federal holidays.

Application of Monthly Credit - the Monthly Credit shall be applied to Customer's monthly bill beginning in January if the Agreement was executed prior to that January. If the Agreement is executed between January 1 and May 1, to be effective in that year, the Monthly Credit will begin in the month following the month in which service begins. If the Agreement is executed after May 1, the Monthly Credit will begin in January of the following year. In the event that Customer's CIL is estimated, the Monthly Credit applicable to the estimated CIL will be applied to Customer's December bill, after the CIL calculation is completed for that year. For Customers with no history, the entire accumulated Monthly Credit will be credited to the December bill. For Customers with history, but who estimate an increase, accumulated credits attributable to the estimated increase in the CIL will be credited to the December bill and credits attributable to the actual CIL will be credited monthly.

PHONE LINE REQUIREMENTS:

Customer is responsible for the cost of installing and maintaining a properly working communication path between Customer and Company. The communication path must be dedicated. Options for the communication path include, but are not limited to, a dedicated analog phone line to the meter location. The communication path must be installed and working before Customer may begin taking service under this rate schedule.

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INTERRUPTIBLE CREDIT OPTION

PHONE LINE REQUIREMENTS (Cont.):

In the event that the Company issues a Capacity or Contingency interruption during a time in which Customer's phone line is not working, the penalties detailed in the section of this tariff titled FAILURE TO INTERRUPT – Capacity and Contingency Interruptions, shall apply if Customer fails to comply with the interruption.

COMMUNICATION AND PHYSICAL CONTROL REQUIREMENTS FOR NO NOTICE OPTION CUSTOMERS:

A No Notice Option Customer must install and maintain a Company specified dedicated phone line to the meter location. In addition a No Notice Option Customer must also pay for the communication charges associated with the Company specified communication equipment installed in the Remote Terminal Unit (RTU) used to receive and transmit interruption signals and real time usage information.

A No Notice Option Customer shall either:

(i) utilize its own Energy Management System (EMS) automated intelligent equipment to reduce load down to the Contract Firm Demand level when requested by Company. Customer will pay for the cost of an RTU that will receive the interruption and restore signals via phone or cellular communication. The RTU shall be designed, purchased, installed, and tested by Company or Company contractor at Customer's expense. Customer must demonstrate that its automated intelligent device or equipment will receive Company's signal and automatically act upon that signal to remove load down to the Contract Firm Demand level within a time period to be specified in the Agreement. A $1,000 non-refundable contribution is required to perform the engineering and design work required to determine the costs associated with purchasing and installing the RTU;

or

(ii) utilize a Company owned and operated switch to remove Customer's entire load during a Capacity or Contingency Interruption. Use of a Company switch requires that Customer have no Contract Firm Demand. Customer must pay for the cost of Company-owned switch and an RTU that will receive the interruption and restore

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COMMUNICATION AND PHYSICAL CONTROL REQUIREMENTS FOR NO NOTICE OPTION CUSTOMERS (cont.): signals via phone or cellular communication, and lock Customer's load out during a Capacity or Contingency Interruption. The RTU shall be designed, purchased, installed, and tested by Company at Customer's expense. A $1,000 non-refundable contribution is required to perform the engineering and design work needed to determine the costs associated with providing Company physical control over Customer's load. A minimum of six (6) months is required to design, order, install and test the required equipment to give the Company control over Customer's load. During a Capacity or Contingency Interruption, the Company shall lock out Customer's load to prevent Customer from terminating the interruption before release. This option is not available if Customer receives secondary service from the Company.

A No Notice Option Customer shall submit to equipment testing at least once per year at Company's discretion, provided no other Capacity or Contingency events occurred in the past 12 months that could be used to verify the correct operation of the disconnect equipment and RTU. Equipment testing may last less than the four-hour duration and may not count toward Customer's Number of Interruptible Hours.

TAMPERING:

If Company determines that its load management or load control equipment on Customer's premises has been rendered ineffective due to tampering by use of mechanical, electrical, or other devices or actions, then Company may terminate Customer's Agreement, or remove Customer from the No Notice Option and place Customer on the One Hour Notice Option rate for a minimum one-year period. The Customer's credits will be adjusted accordingly. In addition, Customer may be billed for all expenses involved with the removal, replacement or repair of the load management equipment or load control equipment and any charges resulting from the investigation of the device tampering. Customer shall also pay 50% of the expected annual credit rate, times the maximum 30 minute demand recorded during the interruption event for all demand Customer was obligated to interrupt, but did not. The penalty will apply only to the portion of the load that Customer fails to interrupt. A Customer that is removed from the program is only eligible to participate again at the discretion of Company. Company will verify installation has been corrected before Customer is permitted to participate in the program again.

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INTERRUPTIBLE CREDIT OPTION

LIMITATION OF LIABILITY:

Customers who elect to take service under this tariff agree to indemnify and save harmless Company from all claims or losses of any sort due to death or injury to person or property resulting from interruption of electric service under this tariff or from the operation of the interruption signal and switching equipment.

Effective Date September 12, 2019 T

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ELECTRIC TARIFF

PRIMARY QF STANDBY SERVICE

APPLICABILITY: Under contract for electric service provided at a primary voltage of 2.4 kV or higher but less than 69 kV and supplied at one Point of Delivery, for which Company's service is used as standby, backup or maintenance service. Applies to Customers who operate any electric generating equipment in parallel with Company's electric system which normally serves all or a portion of the Customer's electrical load requirements; who requires Standby Capacity from the Company; and who desire use of the Company's electrical service for temporary backup or maintenance power and energy. Not applicable to power generated for resale.

AVAILABILITY: Service hereunder is available only to Customers who have executed an Electric Service Agreement with the Company that specifies Customer's Contract Standby Capacity and Total Load requirements. All power service supplied by Company to Customer in excess of the contract Standby Capacity shall be provided by Company under the Primary General Service ("PG") tariff. Standby service provided for Customer generation hereunder is not available under the Company's Interruptible Credit Option ("ICO") tariff. Customers receiving service under this tariff shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period.

RATE: Service Availability Charge:	$67.94 per month	I
Transmission & Distribution Standby Capacity Fee – Summer:	$8.17 / kW Month	I
Transmission & Distribution Standby Capacity Fee – Winter:	$7.32 / kW Month	I
Generation Standby Capacity Fee – Summer:	$1.68 / kW Month	I
Generation Standby Capacity Fee – Winter:	$1.38 / kW Month	I
Energy Charge: for all kWh used during the month	$0.006907 per kWh	I

EXCESS USAGE

If Customer Usage Hours exceed 99 Usage Hours, the above charges shall not apply and the charges will be as follows:

Service Availability Charge:	$67.94 per month	I
Usage Demand Charge - Summer:	$14.79 / kW Month	I
Usage Demand Charge - Winter:	$12.72 / kW Month	I

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ELECTRIC TARIFF

PRIMARY QF STANDBY SERVICE

Energy Charge: for all kWh used during the month $0.006907 per kWh I

SUMMER MONTHS: The billing months of June – September.

WINTER MONTHS: The billing months of October – May.

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand expected to exceed 200 kW. A power factor adjustment charge shall apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

DEFINITIONS:

CONTRACT STANDBY CAPACITY: The level of Contract Standby Capacity in kilowatts the Company reserves in its transmission and distribution systems and its generation for the Customer as set forth in the Electric Standby Service Agreement. Contract Standby Capacity is limited to and is the lesser of:

- the Customer's Total Load,
- the Customer's generation capacity, or
- an amount agreed to by the Company and the Customer.

CUSTOMER'S TOTAL LOAD: Represents the maximum historical level of electrical demand at the Customer's service location on or after January 1st, 2012, and shall be determined by meter measurement of the total capacity requirements of Customer, regardless of whether such capacity is supplied by Company, Customer's own generation equipment, or a combination of both. Customer's Total Load shall carry forward from year-to-year until Customer's maximum demand exceeds previous Total Load. In the month following the month in which larger total was metered, the larger value would then become the Customer's Total Load.

STANDBY SERVICE: Standby Service shall be the service provided by Company under this Primary Standby Service tariff.

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PRIMARY QF STANDBY SERVICE

USAGE HOURS: Each hour in a calendar month during which a 30-minute interval of Customer generation is less than the lower of Customer Usage or 60% of Contract Standby Capacity, excluding energy used during Qualified Scheduled Maintenance Periods, is considered a Usage Hour. If the number of Usage Hours in a month is 100 or more hours, Customer shall pay according to the provisions of Excess Usage for Standby Service.

CONTRACT PERIOD: All contracts under this schedule shall be for a minimum period of one year and one-year periods thereafter until terminated, where service is no longer required, on 30 day notice. Greater minimum periods may be required by contract in situations involving large or unusual loads.

METER INSTALLATION: Company shall install, own, operate, and maintain the metering to measure the electric power and energy supplied to Customer to allow for proper billing of the separate PG Service and Standby Service demands and grace period identified above. In particular, Company will install a meter that measures the flow of power and energy from Customer's own generating facility (generation metering).

As a result of the electrical or physical configuration of Customer's generation facility, Company may determine that it is more practical or economical to use generation metering installed and owned by Customer, rather than Company-owned metering equipment. If Company, at its sole discretion, makes such a determination, then Customer-owned generation metering may be used for the billing purposes, so long as such metering equipment meets Company's standards for quality and accuracy.

If through the course of Company's evaluation of the metering requirements for the generation meter(s), Company determines, at its sole discretion, that it is impracticable, uneconomical or unnecessary to install metering on Customer's generator(s), Company shall determine the billing for the provision of the Standby Service tariff on an un-metered and calculated basis. This determination can only be made if the only electrical load located at Customer's site is station power equipment as defined by the Federal Energy Regulatory Commission. Regardless of Company's ultimate determination of the requirement (or lack thereof) for installation of the generation metering, a meter will always be required at the point of interconnection between Company and Customer and such meter will measure both delivered and received capacity and energy.

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PRIMARY QF STANDBY SERVICE

ADDITIONAL TERMS AND CONDITIONS OF SERVICE WITH STANDBY SCHEDULED MAINTENANCE: Qualifying Scheduled Maintenance Periods must occur within the winter months as defined above. Customer must provide Company with 30 days written notice of scheduled maintenance prior to the beginning of the maintenance period. The duration of qualifying scheduled maintenance periods may not exceed a total of six weeks in any 12-month period.

Any non-compliance with all terms and conditions for qualifying scheduled maintenance periods shall result in the energy used during unapproved maintenance outages being applied against the Usage Hours energy limit.

DEFINITION OF SUPPLEMENTAL DEMAND: If Customer's Total Load is in excess of the Contract Standby Demand, the Supplemental Demand (kW) is equal to Customer's Total Load minus the Contract Standby Capacity. Supplemental Demand and energy will be billed on the applicable PG tariff.

FUEL COST RECOVERY: The charge per kWh of the above rate shall be increased by the applicable fuel cost recovery per kWh as provided in PUCT Sheet No. IV-69.

TERMS OF PAYMENT: Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

CHARACTER OF SERVICE: A-C 60 hertz, single or three phase at Company's available primary voltage.

Effective Date September 12, 2019 T

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SECONDARY QF STANDBY SERVICE

APPLICABILITY: Under contract for electric service provided at secondary voltage supplied at one Point of Delivery, for which Company's service is used as standby backup or maintenance service. Applies to Customers who operate any electric generating equipment in parallel with Company's electric system which normally serves all or a portion of Customer's electrical load requirements; who requires Standby Capacity from Company; and who desire use of Company's electrical service for temporary backup or maintenance power and energy. Not applicable to power generated for resale.

AVAILABILITY:
Service hereunder is available only to Customers who have executed an Electric Service Agreement with Company that specifies Customer's Contract Standby Capacity and Total Load requirements. All power service supplied by Company to the Customer in excess of the contract Standby Capacity shall be provided by Company under the Secondary General Service ("SG") tariff. Service hereunder is not available under Company's Interruptible Credit Option ("ICO") tariff. Customers receiving service under this tariff shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period.

RATE: Service Availability Charge:	$29.26 per month	I
Transmission & Distribution Standby Capacity Fee – Summer:	$ 9.36 / kW Month	I
Transmission & Distribution Standby Capacity Fee – Winter:	$ 8.42 / kW Month	I
Generation Standby Capacity Fee – Summer:	$ 1.95 / kW Month	I
Generation Standby Capacity Fee – Winter:	$ 1.60 / kW Month	I
Energy Charge:	$0.008846 per kWh	I

EXCESS USAGE
If Customer Usage Hours exceed 99 Usage Hours, the above charges shall not apply and the charges will be as follows:

Service Availability Charge:	$29.26 per month	I
Usage Demand Charge - Summer:	$17.18 / kW Month	I

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ELECTRIC TARIFF

SECONDARY QF STANDBY SERVICE

Usage Demand Charge - Winter:	$14.84 / kW Month	I
Energy Charge: for all kWh used during the month	$0.008846 per kWh	I

SUMMER MONTHS: The billing months of June – September.

WINTER MONTHS: The billing months of October – May.

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand expected to exceed 200 kW. A power factor adjustment charge shall apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge =Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

DEFINITIONS:

CONTRACT STANDBY CAPACITY:
The level of Contract Standby Capacity in kilowatts the Company reserves in its transmission and distribution systems and its generation for the Customer as set forth in the Electric Standby Service Agreement. The Contract Standby Capacity is limited to and is the lesser of:

- the Customer's Total Load,
- the Customer's generation capacity, or
- an amount agreed to by the Company and the Customer.

CUSTOMER'S TOTAL LOAD:
Represents the maximum historical level of electrical demand at the Customer's service location on or after January 1st, 2012, and shall be determined by meter measurement as the total capacity requirements of Customer, regardless of whether such capacity is supplied by Company, Customer's own generation equipment, or a combination of both. Customer's Total Load shall carry forward from year-to-year until Customer's maximum demand exceeds previous Total Load. In the month following the month in which larger total was metered, the larger value would then become the Customer's Total Load.

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SECONDARY QF STANDBY SERVICE

STANDBY SERVICE:
Standby Service shall be the service provided by Company under this Secondary Standby Service tariff.

USAGE HOURS:
Each hour in a calendar month during which a 30-minute interval of Customer generation is less than the lower of Customer usage or 60% of Contract Standby Capacity, excluding energy used during Qualified Scheduled Maintenance Periods, is considered a Usage Hour. If the number of Usage Hours in a month is 100 or more hours, Customer shall pay according to the provisions of Excess Usage for Standby Service.

CONTRACT PERIOD: All contracts under this schedule shall be for a minimum period of one year and one-year periods thereafter until terminated, where service is no longer required, on 30 day notice. Greater minimum periods may be required by contract in situations involving large or unusual loads.

METER INSTALLATION: Company shall install, own, operate, and maintain the metering to measure the electric power and energy supplied to Customer to allow for proper billing of the separate SG Service and Standby Service demands and grace period identified above. In particular, Company will install a meter that measures the flow of power and energy from Customer's own generating facility (generation metering).

As a result of the electrical or physical configuration of Customer's generation facility, Company may determine that it is more practical or economical to use generation metering installed and owned by Customer, rather than Company-owned metering equipment. If Company, at its sole discretion, makes such a determination, then Customer-owned generation metering may be used for the billing purposes, so long as such metering equipment meets Company's standards for quality and accuracy.

If through the course of Company's evaluation of the metering requirements for the generation meter(s), Company determines, at its sole discretion, that it is impracticable, uneconomical or unnecessary to install metering on Customer's generator(s), Company shall determine the billing for the provision of the Standby Service tariff on an un-metered and calculated basis. This determination can only be made if the only electrical load located at Customer's site is station power equipment as defined by the Federal Energy Regulatory Commission.

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ELECTRIC TARIFF

SECONDARY QF STANDBY SERVICE

METER INSTALLATION: (cont.)

Regardless of Company's ultimate determination of the requirement (or lack thereof) for installation of the generation metering, a meter will always be required at the point of interconnection between Company and Customer and such meter will measure both delivered and received capacity and energy.

ADDITIONAL TERMS AND CONDITIONS OF SERVICE WITH STANDBY SCHEDULED MAINTENANCE:

Qualifying Scheduled Maintenance Periods must occur within the winter months as defined above. Customer must provide Company with 30 days written notice of scheduled maintenance prior to the beginning of the maintenance period. The duration of qualifying scheduled maintenance periods may not exceed a total of six weeks in any 12-month period.

Any non-compliance with all terms and conditions for qualifying scheduled maintenance periods shall result in the energy used during unapproved maintenance outages being applied against the Usage Hours energy limit.

DEFINITION OF SUPPLEMENTAL DEMAND:

If Customer's Total Load is in excess of the Contract Standby Demand, the Supplemental Demand (kW) is equal to Customer's Total Load minus the Contract Standby Capacity. Supplemental Demand and energy will be billed on the applicable SG tariff.

FUEL COST RECOVERY:

The charge per kWh of the above rate shall be increased by the applicable fuel cost recovery per kWh as provided in PUCT Sheet No. IV-69.

TERMS OF PAYMENT:

Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

CHARACTER OF SERVICE:

Alternating current; 60 hertz; single or three phase, at one available standard secondary voltage.

Effective Date September 12, 2019 T

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TRANSMISSION QF STANDBY SERVICE

APPLICABILITY: Under contract for electric service provided at a transmission voltage supplied at one Point of Delivery, for which Company's service is used as standby, backup or maintenance service. Applies to Customers who operate any electric generating equipment in parallel with Company's electric system which normally serves all or a portion of Customer's electrical load requirements; who requires Standby Capacity from Company; and who desire use of Company's electrical service for temporary backup or maintenance power and energy. Not applicable to power generated for resale.

AVAILABILITY: Service hereunder is available only to Customers who have executed an Electric Service Agreement with Company that specifies Customer's Contract Standby Capacity and Total Load requirements. All power service supplied by Company to Customer in excess of the Contract Standby Capacity shall be provided by Company under the Large General Service Transmission ("LGS-T") tariff. Service under Company's Interruptible Credit Option (ICO) tariff is not available to Customers taking service under this Transmission Standby Service tariff. Customers receiving service under this tariff shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period.

SUB TRANSMISSION STANDBY SERVICE – 69 KV: I

RATE: Service Availability Charge Per Month:	$1,102.80
Transmission Standby Capacity Fee – Summer:	$ 5.35 / kW Month
Transmission Standby Capacity Fee – Winter:	$ 3.76 / kW Month
Generation Standby Capacity Fee – Summer:	$ 2.10 / kW Month
Generation Standby Capacity Fee – Winter:	$ 1.47 / kW Month
Energy Charge: for all kWh used during the month:	$0.005307 per kWh

TRANSMISSION STANDBY SERVICE – 115 KV AND ABOVE:

RATE: Service Availability Charge Per Month:	$1,102.80
Transmission Standby Capacity Fee– Summer:	$ 5.14 / kW Month
Transmission Standby Capacity Fee– Winter:	$ 3.61 / kW Month
Generation Standby Capacity Fee – Summer:	$ 2.03 / kW Month
Generation Standby Capacity Fee – Winter:	$ 1.40 / kW Month I

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TRANSMISSION QF STANDBY SERVICE

Energy Charge: for all kWh used during the month:	$0.005033 per kWh	I

EXCESS USAGE – 69 kV

If Customer Usage Hours exceed 99 Usage Hours, the above charges shall not apply and the charges will be as follows:

Service Availability Charge Per Month:	$1,102.80
Demand Charge - Summer:	$ 13.77 / kW Month
Demand Charge - Winter:	$ 9.58 / kW Month
Energy Charge: for all kWh used during the month	$0.005307 per kWh

EXCESS USAGE – 115 kV AND ABOVE

If Customer Usage Hours exceed 99 Usage Hours, the above charges shall not apply and the charges will be as follows:

Service Availability Charge Per Month:	$1,102.80	
Demand Charge - Summer:	$ 13.15 / kW Month	
Demand Charge - Winter:	$ 9.21 / kW Month	
Energy Charge: for all kWh used during the month	$0.005033 per kWh	I

SUMMER MONTHS: The billing months of June – September.

WINTER MONTHS: The billing months of October – May.

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TRANSMISSION QF STANDBY SERVICE

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand expected to exceed 200 kW. A power factor adjustment charge shall apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

DEFINITIONS:

CONTRACT STANDBY CAPACITY:
The level of Contract Standby Capacity in kilowatts the Company reserves in its transmission and distribution systems and its generation for the Customer as set forth in the Electric Standby Service Agreement. Contract Standby Capacity is limited to and is the lesser of:

- the Customer's Total Load,
- the Customer's generation capacity, or
- an amount agreed to by the Company and the Customer.

Customer's Total Load represents the maximum historical level of electrical demand at the Customer's service location on or after January 1st, 2012, and shall be determined by meter measurement of the total capacity requirements of Customer, regardless of whether such capacity is supplied by Company, Customer's own generation equipment, or a combination of both. Customer's Total Load shall carry forward from year-to-year until Customer's maximum demand exceeds previous Total Load. In the month following the month in which larger total was metered, the larger value would then become the Customer's Total Load.

STANDBY SERVICE:
Standby Service shall be the service provided by Company under this Transmission Standby Service tariff.

USAGE HOURS:
Each hour in a calendar month during which a 30-minute interval of Customer generation is less than the lower of Customer usage or 60% of Contract Standby Capacity, excluding energy used during Qualified Scheduled Maintenance Periods, is considered a Usage Hour. If the number of

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TRANSMISSION QF STANDBY SERVICE

USAGE HOURS: (cont.)

Usage Hours in a month is 100 or more hours, Customer billing will be based upon the provisions of Excess Usage for Standby Service.

CONTRACT PERIOD:

All contracts under this schedule shall be for a minimum period of one year and one-year periods thereafter until terminated, where service is no longer required, on 30 day notice. Greater minimum periods may be required by contract in situations involving large or unusual loads.

METER INSTALLATION:

Company shall install, own, operate, and maintain the metering to measure the electric power and energy supplied to Customer to allow for proper billing of the separate LGS-T Service and Standby Service demands and energy identified above. In particular, Company will install a meter that measures the flow of power and energy from Customer's own generating facility (generation metering).

As a result of the electrical or physical configuration of Customer's generation facility, Company may determine that it is more practical or economical to use generation metering installed and owned by Customer, rather than Company-owned metering equipment. If Company, at its sole discretion, makes such a determination, then Customer-owned generation metering may be used for the billing purposes, so long as such metering equipment meets Company's standards for quality and accuracy. If through the course of Company's evaluation of the metering requirements for the generation meter(s), Company determines, at Customer's generator(s), Company shall determine the billing for the provision of the Standby Service tariff on an un-metered and calculated basis. This determination can only be made if the only electrical load located at Customer's site is station power equipment as defined by the Federal Energy Regulatory Commission.

Regardless of Company's ultimate determination of the requirement (or lack thereof) for installation of the generation metering, a meter will always be required at the point of interconnection between Company and Customer and such meter will measure both delivered and received capacity and energy.

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TRANSMISSION QF STANDBY SERVICE

ADDITIONAL TERMS AND CONDITIONS OF SERVICE WITH STANDBY SCHEDULED MAINTENANCE:

Qualifying Scheduled Maintenance Periods must occur within the winter months as defined above. Customer must provide Company with 30 days written notice of scheduled maintenance prior to the beginning of the maintenance period. The duration of qualifying scheduled maintenance periods may not exceed a total of six weeks in any 12-month period.

Any non-compliance with all terms and conditions for qualifying scheduled maintenance periods shall result in the energy used during unapproved maintenance outages being applied against the Usage Hours energy limit.

DEFINITION OF SUPPLEMENTAL DEMAND:

If Customer's Total Load is in excess of the Contract Standby Demand, the Supplemental Demand (kW) is equal to the Customer's Total Load minus the Contract Standby Capacity. Supplemental Demand and energy will be billed on the applicable LGS-T tariff.

FUEL COST RECOVERY:

The charge per kWh of the above rate shall be increased by the applicable fuel cost recovery factor per kWh as provided in PUCT Sheet No. IV-69. This rate schedule is subject to other applicable rate adjustments.

TERMS OF PAYMENT:

Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

CHARACTER OF SERVICE:

Alternating current; 60 hertz; at approximately the contract voltage of 69 kV or larger.

REC CREDIT: 69 kV Customers who provide written notice to the Commission pursuant to PURA Section 39.904(m-1) and Commission's regulations promulgated there under, shall receive a credit of $0.000088 per kWh to their billings under this tariff. Customers who receive REC I
credits under this tariff do not share in any REC costs, and shall not be eligible to receive any revenue credits from sales of RECs by the Company. 115 kV Customers who provide written notice to the Commission pursuant to PURA Section 39.904(m-1) and Commission's regulations promulgated there under, shall receive a credit of $0.000087 per kWh to their billings under this I
tariff.

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REC CREDIT (cont.): Customers who receive REC credits under this tariff do not share in any REC costs, and shall not be eligible to receive any revenue credits from sales of RECs by the Company.

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SOUTHWESTERN PUBLIC SERVICE

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LARGE SCHOOL SERVICE

APPLICABILITY: To all K-12 schools both public and private supplied electric service at primary or secondary voltage measured through one meter and at one Point of Delivery, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, exceeding 10 kW of demand in any month.

Each year, Company will review the demand of all Customers receiving service under this tariff. If the average of Customer's twelve monthly demands in the immediately preceding calendar year does not exceed 10 kW, then Customer is not eligible to continue receiving service under this tariff.

Not applicable to standby, supplementary, or shared service, or to service for which a specific rate schedule is provided.

TERRITORY: Texas service territory.

SECONDARY VOLTAGE:
RATE: Service Availability Charge: $30.40 per month **R**

Energy Charge: $0.013964 per kWh for all kWh used during the month **I**

Demand Charge:
$11.90 per kW of demand used per month during each summer month **R**
$ 9.93 per kW of demand used per month during each winter month **R**

PRIMARY VOLTAGE:
RATE: Service Availability Charge: $30.40 per month **R**

Energy Charge: $0.013725 per kWh for all kWh used during the month **I**

Demand Charge:
$10.63 per kW of demand used per month during each summer month **R**
$ 8.87 per kW of demand used per month during each winter month **R**

SUMMER MONTHS: The billing months of June through September.

WINTER MONTHS: The billing months of October through May.

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LARGE SCHOOL SERVICE

ALTERNATE TIME OF USE RIDER – SECONDARY VOLTAGE T

RATE: Service Availability Charge: $30.40 per month. R
Energy Charge:
$0.013962 per kWh for all kWh used during all hours, PLUS I
$0.124250 per kWh for all kWh used during On-Peak Hours R

Demand Charge: $8.54 per kW of demand used per month R

ON-PEAK HOURS: 1 p.m. through 7 p.m., Monday through Friday during the months of June through September.

ALTERNATE TIME OF USE RIDER – PRIMARY VOLTAGE T

RATE: Service Availability Charge: $30.40 per month. R

Energy Charge:
$0.013725 per kWh for all kWh used during all hours, PLUS I
$0.124287 per kWh for all kWh used during On-Peak Hours R

Demand Charge: $6.80 per kW of demand used per month R

ON-PEAK HOURS: 1 p.m. through 7 p.m., Monday through Friday during the months of June through September.

Customers must contract for service under this tariff for a minimum of 12 consecutive calendar months. The On-Peak period shall be 1:00 pm to 7:00 pm, Monday through Friday during the months of June through September. The Off-Peak period shall be all other hours not covered in the On-Peak period. T

DEMAND: Company will furnish, at its expense, the necessary metering equipment to measure Customer's kW demand for the 30-minute period of greatest use during the month. In no month, shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing period by 80 hours. The limit on billing demand shall not apply to billings under the T

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ELECTRIC TARIFF

LARGE SCHOOL SERVICE

DEMAND: (cont.) Alternate Time of Use Rider. Billing demand under the Alternate Time of Use Rider shall be based upon the 30-minute period of greatest use during the month. T T

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

FUEL COST RECOVERY AND ADJUSTMENTS: The charge per kWh of the above rate shall be increased by the applicable fuel cost recovery factor per kWh hour as provided in PUCT Sheet IV-69. This rate schedule is subject to other applicable rate adjustments.

CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase, at one available standard secondary voltage.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

TERMS OF PAYMENT: Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations and Conditions of Service on file with the Public Utility Commission of Texas.

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

AVAILABILITY: This Schedule is available under contract to Customers whose total demand is normally served by Customer's generation of at least 1,000 kW during June, July, August, and September, and whose facilities are equipped with appropriate telemetering and control equipment to permit Customer to comply with, or Company to implement, curtailment requests. Service under this rate is available when taken in conjunction with service under the applicable large general service rate schedules and riders, or with firm standby service under the Transmission Qualifying Facility Standby Service rate schedule.

APPLICABILITY:
Under contract for electric service to a Qualifying Facility ("QF") provided at a transmission voltage for which Company's service is used as non-firm standby backup or non-firm maintenance service supplied at one Point of Delivery.

RATE:

SUB TRANSMISSION SERVICE OF 69 KV:

Service Availability Charge Per Month: The following charge will apply if non-firm standby service is provided on a stand-alone basis: $1,102.80 I

Delivery Charges:

Transmission System Standby Capacity Fee-Summer: $5.35 per 4CP kW I

Transmission System Standby Capacity Fee-Winter: $3.76 per 4CP kW I

Generation System Standby Capacity Fee- Summer: $1.69 per kW of Nominated Standby Capacity I

Generation System Standby Capacity Fee- Winter: $1.18 per kW of Nominated Standby Capacity I

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

TRANSMISSION SERVICE OF 115 KV AND ABOVE:

Service Availability Charge Per Month: The following charge will apply if non-firm standby service is provided on a stand-alone basis: $1,102.80 I

Delivery Charges:

Transmission System Standby Capacity Fee-Summer:	$5.14 per 4CP kW	I
Transmission System Standby Capacity Fee-Winter:	$3.61 per 4CP kW	I
Generation System Standby Capacity Fee- Summer: Standby Capacity	$1.63 per kW of Nominated	I
Generation System Standby Capacity Fee- Winter: Standby Capacity	$1.12 per kW of Nominated	I

SUMMER MONTHS: The billing months of June through September.

WINTER MONTHS: The billing months of October through May.

Usage Rates:

Demand Charge:
There will be no additional demand charge for use of Standby Service except for Non-Compliant use as defined herein. In this case, Standby Service Demand Charges shall be as defined in the Non-Compliance Payment paragraph of this tariff.

Energy Charge:
All Standby Replacement Energy provided by Company during non-interrupt periods shall be billed at the Hourly Clearing Price of the applicable regional wholesale energy market. Additionally, an Energy Margin of five percent (5%) of

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

Energy Charge: (cont.)
the Hourly Clearing Price, shall be added to the charge for all Standby Replacement Energy provided by Company. Total charge shall not be less than \$0.005307 per kWh at 69 kV or \$0.005033 per kWh at 115 kV and above. I

BACKUP SERVICE:
Backup Service is capacity and energy supplied by Company to replace Customer's generation during an unscheduled outage. The maximum required level of Backup Demand (the "Standby Capacity") shall be nominated annually in writing at least 30 days before the beginning of the calendar year.

MAINTENANCE SERVICE:
Maintenance Service is capacity and energy supplied by Company to replace Customer's self-generation during scheduled outages of Customer's generation. Scheduled outages shall be set at a time mutually agreeable by Customer and Company, excluding June, July, and August. The scheduled outage(s) shall be scheduled in two billing months per calendar year. Scheduled outages shall be agreed to in writing at least 30 days prior to the beginning of the month in which the scheduled outage is planned to take place.

SUPPLEMENTAL GENERATION SERVICE:
Supplemental Generation Service is capacity and energy supplied by Company and used by Customer in place of Customer's self-generation whenever Customer's self-generation is not operating at the full level of the nominated Standby Capacity. This Supplemental Generation Service usage shall be billed Standby Replacement Demand and Standby Replacement Energy as described below.

SUPPLEMENTAL LOAD SERVICE:
Supplemental Load Service is capacity and energy supplied by Company to Customer for load requirements above the nominated Standby Capacity for Customer's self-generation, in order to meet Customer's total load requirement. This Supplemental Load Service usage shall be billed in accordance with the standard applicable rate schedule.

DEFINITION OF CUSTOMER METER DEMAND:
Customer Meter Demand shall be the demand in kW determined from Company's demand meter at the Customer Meter for the 30 minute period of greatest use during the month.

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

DEFINITION OF 4CP DEMAND:
The 4CP Demand applicable under the Delivery Charges shall be the average of the Standby Replacement Demand at the time of Company's system peak demand in June, July, August and September of the previous calendar year. Retail Non-Firm Standby Customers without previous history on which to base their 4CP Demand will be billed based on an estimate of the 4CP Demand.

DEFINITION OF MINIMUM GENERATION PRODUCTION:
The Minimum Generation Production shall be the generation output in kW determined at the QF Generation Meter for the 30-minute period of least total generation output during the month.

DEFINITION OF STANDBY REPLACEMENT DEMAND:
The Standby Replacement Demand shall be equal to the minimum of (a) Customer Meter Demand, (b) the Standby Capacity (Backup Demand), or (c) the nominated Standby Capacity minus the Minimum Generation Production.

DEFINITION OF STANDBY REPLACEMENT ENERGY:
The Standby Replacement Energy shall be equal to the energy metered at the Customer Meter less the energy supplied to Customer's Supplemental Load Service, but not more than the outage hours in a month times (multiplied by) the nominated Standby Capacity.

DEFINITION OF SUPPLEMENTAL LOAD DEMAND:
The Supplemental Load Demand shall be equal to Customer Meter Demand minus the Standby Replacement Demand, but no less than the minimum demand set forth in the applicable tariff.

MINIMUM CHARGE:
The minimum charges in a month shall be the sum of the Service Availability Billing Charge, Service Availability Charge per Meter if applicable, and the Delivery Charges.

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand expected to exceed 200 kW. A power factor adjustment charge shall apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

POWER FACTOR ADJUSTMENT (cont.):

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

TERMS OF PAYMENT:

Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

CHARACTER OF SERVICE:

Alternating current; 60 hertz; at approximately the contract voltage.

GENERAL CONDITIONS:

Customer understands that failure to interrupt this Non-Firm Standby Service when requested threatens the reliability of service to other customers. Company will attempt to provide as much prior notice as possible prior to interruptions. Interruptions may be made at any time, in the judgment of Company, when demand for electricity exceeds or is likely to exceed Company's available electric supply for any reason including, but not limited to, breakdown of generating units, transmission equipment or other critical facilities; short or long-term shortages of fuel or generation, transmission, and other facilities; and requirement or orders of governmental agencies.

CONDITIONS OF SERVICE:

Customer is required to install, own, operate and maintain necessary monitoring devices and interruption-control equipment including protective devices, at Customer's point of delivery, as reasonably specified by Company. In addition, Company shall install interruption-control equipment on the Company's side of the point of delivery as it reasonably determines is necessary to interrupt the interruptible load. All interruption-control equipment shall be under the exclusive control of Company, and the installation and maintenance of such facilities shall be at the expense of Customer. Interruption-control equipment consists of, but is not limited to, under-frequency relays, switchgear, remote control and communications equipment including a communications path, timers, trip counters, and/or other devices as specified by Company. Remote control and communications equipment includes equipment necessary to provide instantaneous load information to Company's designated system operating centers. Operation of the equipment will remain under the control of Company and Company reserves the right to inspect and test all interruption-control equipment and review Customers' maintenance records. Customer will make

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TRANSMISSION QUALIFYING FACILITY NON-FIRM STANDBY SERVICE

CONDITIONS OF SERVICE (cont.):

commercially reasonable efforts to notify the Company of the timing and anticipated duration of planned outages.

NON-COMPLIANCE PAYMENT:

When Company requests a reduction of any part or all of Customer's Standby load, Customer must comply with such request within the specified time period. If, at any time, Customer fails in whole or in part to maintain the requested load reduction, Customer shall pay the following charges:

1. During interrupt periods called under Company's Interruptible Rate Rider, Customer shall pay Company's identifiable additional cost for capacity and 150% of the Hourly Clearing Price of the applicable regional wholesale energy market for energy for any Standby Replacement Demand and Energy used by Customer, plus any charges or penalties imposed by any governing entity that result from Customer's non-compliance. In the absence of identifiable additional capacity cost, Customer shall pay 150% of the firm demand charge in accordance with the Transmission Qualifying Facility Standby Service rate schedule for the amount of demand not interrupted during the billing month.

2. If Customer fails to comply twice in any twelve month period, Customer shall pay the same charges as just described, except that the demand charge shall be an amount equal to the normal firm demand charge in accordance with the Transmission Qualifying Facility Standby Service rate schedule for the amount of demand not interrupted during the billing month, multiplied by a factor of twelve. Additionally, a second non-compliance event during a Capacity Control interrupt period in any twelve month period shall result in the Customer being removed from the Non-Firm Standby Service tariff and Customer shall not be eligible to return to this tariff for one year.

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PEAK DAY PARTNER

APPLICABILITY:

Applicable to Customers with at least 500 kW of peak load during each of the four summer months, June through September, that can be made available for interruption under this tariff and that is not committed for interruption under another interruptible program or tariff.

PURPOSE:

The program provides Company with an additional interruptible resource to more efficiently manage system requirements during exceptional periods, and Customer the option of receiving pricing associated with energy supply markets during such periods.

ENABLING AGREEMENT:

In order to participate in the Voluntary Load Reduction Purchase Option program, Customer must complete the Enabling Agreement, attached hereto as Attachment A. This will qualify Customer to submit an offer in response to Company's Voluntary Load Reduction notification.

VOLUNTARY LOAD REDUCTION PERIOD:

Company shall, in its sole discretion, determine a time period (Voluntary Load Reduction Period) for which it is interested in receiving offers from Customers to voluntarily interrupt load pursuant to this tariff. Company shall endeavor to provide notice to all qualified Customers of the scheduling of a Voluntary Load Reduction Period. Company may specify the price at which it will accept bids or request a price offer from Customer.

CUSTOMER OFFERS:

A qualified Customer may submit an offer or multiple offers to participate in a Voluntary Load Reduction Period using the secure internet site established by Company. Offers shall include: (1) a fixed selling price per kWh; and (2) an amount of Committed Load Reduction (CLR) as defined herein. Each offer must be for a minimum CLR of 500 kW and may only include firm load that is not currently committed and will not be committed under another interruptible tariff. Customer may not seek payment under more than one interruptible program for the same load. Customer may submit multiple offers reflecting different options. Customer may also accept, reject, or counter any Company offer using the internet site. Although Company may assist Customer in understanding its load profile, Customer is responsible for its own estimate of CLR and Reference Load Profile (RLP) in presenting or accepting an offer, and Customer's participation based on such estimates shall be at Customer's own risk.

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RESPONSES TO OFFERS:

Company may, but is not obligated to, accept or reject Customer's offer, or may make a counter-offer to Customer. Acceptance by Company of an offer from one Customer does not require Company to accept another Customer's offer. The amount of interruptible load acquired by Company for a Voluntary Load Reduction Period, and the price that it agrees to pay per kWh, shall be solely within Company's discretion. All offers, counteroffers, acceptances and rejections shall be made using the secure internet site established by Company.

COMMITTED LOAD REDUCTION (CLR):

The CLR is the load reduction Customer offers to provide for the entire Voluntary Load Reduction Period, relative to the Reference Load Profile (RLP) as defined herein. Customer is committed to provide the CLR specified in a Voluntary Load Reduction offer, if the offer is accepted by Company. The CLR must be rounded to the nearest 100 kW.

REFERENCE LOAD PROFILE (RLP):

Company shall determine Customer's RLP for accepted offers only and shall determine a RLP for each Voluntary Load Reduction Period in which Customer participates. The RLP is developed by load interval from the Customer's five-day rolling average of uninterrupted, non-holiday weekday integrated loads for the period ending the day before a Voluntary Load Reduction period. The rolling average will exclude days not representative of load characteristics expected during the Voluntary Load Reduction Period, with such days solely determined by Company. Determination of the RLP may not occur until after the conclusion of the Voluntary Load Reduction Period.

PURCHASE QUANTITY:

The Purchase Quantity is the difference between Customer's actual loads and Customer's RLP during the Voluntary Load Reduction Period, rounded to the nearest 100 kW. Energy will be determined from the sum of such differences using integrated load intervals for each hour of the Voluntary Load Reduction Period. The Purchase Quantity will be adjusted for each interval to exclude:

1. All Quantities if the actual load reduction is less than 50 percent of the CLR, and
2. Quantities corresponding to an actual load reduction greater than 120 percent of the CLR.

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Xcel Energy
SOUTHWESTERN PUBLIC SERVICE

ELECTRIC TARIFF

PEAK DAY PARTNER

CUSTOMER COMPENSATION:
Company will determine Customer's compensation by applying the agreed upon selling price to the Purchase Quantity. Company will compensate Customer through a separate payment or bill credit, determined at Company's discretion.

COMMUNICATION REQUIREMENTS:
Customer must use Company-specified communication requirements and procedures when submitting any offer to Company. These requirements may include specific computer software and electronic communication procedures.

METERING REQUIREMENTS:
Company approved metering equipment capable of providing load interval information is required for Program participation. Customer must pay for the additional cost of such metering when not provided in conjunction with an existing retail electric service.

LIABILITY:
Company has no liability for indirect, special, incidental, or consequential loss or damages to Customer, including but not limited to Customer's operations, site, production output, or other claims by Customer as a result of participation in this Program.

PROVISION OF ANCILLARY SERVICES:
Program participation does not represent any form of Customer self-provision of ancillary services that may be included in any retail electric service provided to Customer.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

AVAILABILITY: Available as an interruptible service option at the discretion of Company when Company determines that it has a need for additional resources and is interested in receiving offers from Customers for interruptible load pursuant to this tariff.

APPLICABILITY: Optional service under this rate schedule is applicable to a Customer that meets each of the following conditions:

(1) Customer is a non-governmental Customer who receives electric service under the Company's Large General Service Transmission rate schedules. This tariff is not applicable to Customers who receive electric service under the Company's standby service rate schedules;

(2) Customer's Contract Interruptible Load (CIL) to be used in calculating the maximum Monthly Credit is 300 kilowatts (kW) or greater;

(3) Customer achieved an Interruptible Demand of at least 300 kW during each of the most recent four summer peak season months of June, July, August, and September; or, Company estimates that Customer will achieve an Interruptible Demand of at least 300 kW during each of the four summer peak season months of June, July, August, and September of the contract period; and

(4) Customer and Company have executed a Summer Only Interruptible Credit Option (SOICO) Agreement (Agreement) that specifies the Contract Firm Demand and Monthly Credit Rate (MCR) as well as the Customer specific data necessary for the Company to calculate the Customer's Monthly Credit.

AGREEMENT TERM: The Agreement between the Company and the Customer must be finalized by May 1st of the year in which it is applicable. The Agreement shall be for a term of no more than one year. A new agreement must be executed between the Company and Customer for any succeeding year in which the Customer wishes to participate in the service.

SERVICE PERIOD: Service under this rate schedule is only applicable to the months of June, July, August and September and is subject to the following rules with regard to the Notice Option elected:

<u>One Hour Notice Option</u> – service will begin on June 1st of the year of the Agreement.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

No Notice Option

(i) service will begin on June 1st of the year of the Agreement if all equipment required for No Notice Option service is installed and has been acceptance tested by June 1st.

(ii) if all equipment required for No Notice Option service has not been installed and acceptance tested by June 1st, and Customer and Company have also reached agreement on a One Hour Notice Option, service will begin on June 1st under the One Hour Notice Option and will be switched to the No Notice Option in the month following the month in which acceptance testing of the required equipment is completed.

(iii) if all equipment required for No Notice Option service has not been installed and acceptance tested by June 1st, and Customer and Company have not also reached agreement on a One Hour Notice Option, Customer will not participate in the SOICO program for that year, and the Agreement will be terminated.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

DEFINITIONS:

Contract Bid Price (CBP)—Customer's asking price per kW per month to provide interruptible load to Company under the provisions of this tariff. The CPB must be accompanied by the Number of Interruptible Hours (Ha) offered, selection of a Notice Option (No Notice or One Hour), the required Contract Firm Demand, and selection regarding any interruption limitations identified in this tariff. Customer may submit multiple CBPs representing different options.

Contract Firm Demand—That portion of Customer's total load that is not subject to interruptions by Company as specified in the Agreement. Customer may bid a different Contract Firm Demand for each CBP for each Number of Interruptible Hours (Ha) elected, and may bid a different Contract Firm Demand for a One Hour Option CBP and a No Notice Option CBP. The Contract Firm Demand specified in the Agreement may not be changed unless approved by Company.

Contract Interruptible Load (CIL)—The median of the Customer's maximum daily thirty (30) minute integrated kW demands occurring between the hours of 12:00 noon and 8:00 p.m. Monday through Friday, excluding federal holidays, during the period June 1 through September 30 of the prior year, less the Contract Firm Demand, if any. Company shall calculate the Customer's historic usage to be used in the calculation of the CIL upon request. If a Customer has no history or a Customer anticipates that using the current year's usage, rather than historic usage, to calculate the CIL would result in increasing the CIL by 100 kW or more, at Customer's request, Company may, in its sole discretion, estimate the usage to be used in calculating the CIL.

Interruptible Demand—The maximum thirty (30) minute integrated kW demand, determined by meter measurement, that is used during a month, less the Contract Firm Demand, if any, but not less than zero. Interruptible Demand is measured between the hours of 12:00 noon to 8:00 p.m. Monday through Friday, excluding federal holidays.

One Hour Notice Option—Company may interrupt Customer's load upon providing notice a minimum of one hour prior to the start of the interruption.

No Notice Option—Company may interrupt Customer's load without providing prior notice of the interruption. Service on the No Notice Option cannot begin until the Company's equipment required to provide Company physical control over the Customer's interruptible load has been installed and acceptance tested. Customer must pay for all costs associated with providing the Company with physical control over the Customer's interruptible load.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

Number of Interruptible Hours (Ha)—The total number of hours in the four month service period that each Customer elects as interruptible as set forth in the Agreement. The options for Ha are 40 hours, 80 hours, and 160 hours.

Monthly Credit Rate (MCR)—The price per kW per month agreed upon by Company and Customer as set forth in the Agreement.

4 in 24 Hour Option—Customer may elect to limit interruptions to four hours (4 hours) in a twenty four-hour (24 hour) period.

Unconstrained Option — Customer may elect that interruptions may be of any duration, subject only to the applicable minimum for the type of interruption, as defined herein, and, for purposes of Capacity and Contingency Interruptions may be called multiple times within any 24-hour period.

MONTHLY CREDIT CALCULATION AND APPLICATION: Customers receiving service under this schedule shall be billed on a calendar month basis, such that the first day of each month shall be the beginning and the last day of each month shall be the end of the monthly billing period. A Monthly Credit will be applied to the June, July, August and September monthly bill of a Customer participating in this tariff. The Monthly Credit will be determined by multiplying the MCR times the CIL or times that month's Interruptible Demand, whichever is less. In the event that the Customer's CIL is estimated because the Customer has no prior usage history, the accumulated Monthly Credits for the four month period will be applied to the Customer's December bill, after the CIL estimate is confirmed for that year. For Customers with history, but estimating an increase, accumulated credits attributable to the estimated increase in the CIL will be credited to the December bill and credits attributable to the historic CIL will be credited monthly.

BID AND ACCEPTANCE PROCESS: It is within the sole discretion of the Company to accept, reject, or counter-offer any bid received. No bid shall be considered accepted unless reflected in an Agreement. Customer bids must be submitted in the following format:

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

Ha [Number of Hours Offered for Interruption]	One Hour Notice Option			No Notice Option		
	Hours Offered per Day	Per kW-Monthly Contract Bid Price (CBP) Offered	Firm Demand Requirement	Hours Offered per Day	Per kW-Monthly Contract Bid Price (CBP) Offered	Firm Demand Requirement
40	4 in 24 Hours			4 in 24 Hours		
	Unconstrained			Unconstrained		
80	4 in 24 Hours			4 in 24 Hours		
	Unconstrained			Unconstrained		
160	4 in 24 Hours			4 in 24 Hours		
	Unconstrained			Unconstrained		

EARLY TERMINATION PENALTY: A Customer who cancels service under this schedule shall be required to pay the Company, as a penalty, an amount equal to the product of one hundred and ten percent (110%) times the Agreement's CIL times the Agreement's MCR for each of the remaining months of the unexpired contract term. Customer may be subject to curtailments if Company does not have sufficient generating resources during the remaining term of the Agreement. In addition, Customer shall reimburse the Company for the direct cost incurred by the Company for equipment (including its installation cost, less salvage value) to measure Customer's Interruptible Demand and to interrupt Customer.

OBLIGATION TO INTERRUPT: The duration and frequency of interruptions will be determined by Company pursuant to the conditions described herein and in the Agreement. When the Company asks Customer to interrupt its available Interruptible Load, the Customer must reduce its load to the level of Customer's Contract Firm Demand.

ECONOMIC INTERRUPTIONS: The Company reserves the right to call an Economic Interruption for one or more Customers once per day when the Company believes, in its sole discretion, that calling an interruption will lower its overall system costs compared to what the overall system cost would be in the absence of the interruption. Customers under either the No Notice Option or One Hour Notice Option will have at least One Hour notice of an Economic Interruption. The

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

ECONOMIC INTERRUPTIONS (cont.):
duration of any Economic Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum or if the Customer has less than four hours remaining of its Number of Interruptible Hours, but in either of these exceptions, the duration shall not be less than one hour.

BUY THROUGH – ECONOMIC INTERRUPTION: Once the Company has called an Economic Interruption, the Company will provide the Customer via the contact methods identified on the Contact Information Sheet of the Agreement, with the estimated buy-through price for each hour of the interruption period. Such notice shall advise Customer of the Company's best estimate of the buy-through price. Customers must notify the Company forty-five (45) minutes prior to the start of an Economic Interruption if they elect to buy-through all or a portion of their available interruptible load by logging into the ICO Web Site at the address provided on the Agreement and indicating their buy-through request for each hour of the Economic Interruption period. The ICO Web Site shall advise Customer of the Company's best estimate of the buy-through price for each hour of the Economic Interruption period.

The buy-through price shall be calculated by taking the weighted average cost, as determined by the Company's Cost Calculator or its successor, plus three mils per kWh, for the block of electricity used to serve the Customer(s) who elected to buy-through. For purposes of this calculation, the Company shall assume that the block of electricity used is the highest cost block of electricity consumed in each buy-through hour.

If Customer elects to buy-through the Economic Interruption, it must continue to buy-through all hours of the interruption period unless the Company provides notice to Customer of an updated buy-through price for any hour of the interruption that exceeds the original estimated buy-through price for the hour in question, whereupon Customer that elected initially to buy-through the Economic Interruption will have 15 minutes after being provided notice of the updated estimated price to advise the Company that such Customer desires to be interrupted at the start of the next hour. Once Customer chooses to interrupt, Customer will be interrupted for the remainder of the interruption period as determined by the Company.

If the Company chooses to extend an Economic Interruption from the original notification, all SOICO Customers affected by the Economic Interruption will be provided notice of the opportunity to buy-through or interrupt for the duration of the Economic Interruption extension period.

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ELECTRIC TARIFF

INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

BUY THROUGH – ECONOMIC INTERRUPTION (cont.):
Customer may provide advance election to buy-though up to a specified price. Such election shall be made no later than the last business day prior to the first day of the month to which the election will apply and shall be delivered to Customer's Xcel Energy Service Representative by electronic mail as provided in Customer's Agreement. Any Customer with a standing buy-though order shall have the option, up to forty-five (45) minutes before the start of an event to advise the Company that it desires to be interrupted. Further, in the event that the buy-though price exceeds the Customer-specified price, Customer may nevertheless elect to buy though the interruption by providing the Company with the required notice forty-five (45) minutes before the start of an event.

FAILURE TO INTERRUPT - ECONOMIC INTERRUPTION: In the event that Customer fails to interrupt during an Economic Interruption, Customer will be deemed by the Company to have failed to interrupt for all demand that Customer was obligated to interrupt but did not interrupt. The failure-to-interrupt charge shall be equal to the highest incremental price for power during the Economic Interruption plus three mils per kWh, as determined by the Company after the fact, including market costs, unit start-up cost, spinning reserve costs and reserve penalty cost, if any. The charge will only apply to the portion of the load Customer fails to interrupt.

CAPACITY INTERRUPTION: Company reserves the right to call a Capacity Interruption for one or more Customers at any time when Company believes, in its sole discretion, that generation or transmission capacity is not sufficiently available to serve its firm load obligations other than obligations to make intra-day energy sales. Capacity Interruptions will typically be called when the Company forecasts or on shorter notice has presently scheduled all available energy resources, that are not held back for other contingency or reserve purposes, to be online generating to serve obligation loads. The Capacity Interruption may be activated to enable the Company to maintain Operating Reserves, consisting of spinning and non-spinning reserve, ensuring adequate capability above firm system demand to provide for such things as regulation, load forecasting error, equipment forced outages and local area protection. A Capacity Interruption may be called to relieve transmission facility overloads, relieve transmission under voltage conditions, prevent system instability, relieve a system under frequency condition, shed load if SPS is directed to shed load by the Southwest Power Pool (or subsequent regional reliability organization) Reliability Coordinator, and respond to other transmission system emergencies.

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INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

CAPACITY INTERRUPTION (cont.):
The duration of any Capacity Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration, and in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted for any Customer, if the Customer has less than four hours remaining of its Number of Interruptible Hours.

CONTINGENCY INTERRUPTION: Company reserves the right to call a Contingency Interruption for one or more Customers receiving service under the No Notice Option at any time when the Company believes, in its sole discretion, that interruption is necessary for the Company to be able to meet its Disturbance Control Standard (DCS) criteria. Contingency Interruptions will typically be called by the Company just following the unexpected failure or outage of a system component, such as a generator, transmission line or other element. Interruptible loads that are qualified as Contingency Reserve may be deployed by the Company to meet current or future North American Electric Reliability Corporation (NERC) and other Regional Reliability Organization contingency or reliability standards. The current standard is the DCS, which sets the time limit following a disturbance within which a Balancing Authority (BA) must return its Area Control Error (ACE) to within a specified range. In other words, a Contingency Interruption will be activated to help restore resources and load balance after an unexpected resource outage. Transmission emergencies such as those described in the Capacity Interruption definition can also trigger a Contingency Interruption.

The duration of any Contingency Interruption shall not be less than four hours, unless Customer has opted to waive the four-hour minimum duration, and in such case, the duration shall not be less than one hour. In addition, a single interruption of less than four hours is permitted if Customer has less than four hours of interruption available to use the remaining hours.

FAILURE TO INTERRUPT – CAPACITY AND CONTINGENCY INTERRUPTIONS: In the event that Customer is directed to interrupt and fails to comply during a Capacity or Contingency Interruption, Customer shall pay the Company fifty percent (50%) of Customer's expected annual credit for all demand that Customer was obligated to interrupt but did not interrupt. The expected annual credit shall be the MCR times 4. The penalty will apply only to the portion of the load that Customer fails to interrupt. After Customer fails to interrupt twice, the Company shall have the option to cancel the Agreement. If the Agreement is cancelled, Customer shall not be eligible for service under this rate schedule for a minimum of one year, and Customer will be liable for the Early Termination Penalty.

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INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

FAILURE TO INTERRUPT – CAPACITY AND CONTINGENCY INTERRUPTIONS (cont.): For determining compliance during a Capacity or Contingency Interruption, the first and last fifteen-minute interval of each event shall not be considered. If Customer's violation is less than 60 minutes in duration, not including the first and last control period intervals, then Customer's penalty shall be reduced by 75% if the violation is 15 minutes or shorter; shall be reduced by 50% if the violation is 16 to 30 minutes in duration; and shall be reduced by 25% if the violation is 31 to 59 minutes in duration. This provision does not apply to Economic Interruptions.

If Customer elects the No Notice Option and the Company controls Customer's load through the operation of a Company installed, operated, and owned disconnect switch, in the event that Customer violates a Capacity or Contingency Interruption, Customer shall not be penalized unless evidence of tampering or bypassing the direct load control of Company is in evidence.

PHONE LINE REQUIREMENTS: Customer is responsible for the cost of installing and maintaining a properly working communication path(s) between the Customer and the Company. The communication path(s) must be dedicated, and can include, but is not limited to, a dedicated analog phone line to the meter location. For Customers who select the No Notice Option, the Customer will be required to have two communication paths specified by the Company, one to the meter location and one to the Remote Terminal Unit that will receive the Company's disconnect signals. A communication path(s) must be installed and working before Customer may begin taking service under this rate schedule.

PHYSICAL CONTROL: For those Customers who select the No Notice Option there are two sub-options.

1. Customers may choose to utilize their own EMS automated intelligent equipment to reduce load down to the Contract Firm Demand level when requested by the Company. Customer will pay for the cost of a remote terminal unit (RTU) that will receive the interruption and restore signals via phone or cellular communication. The RTU shall be designed, purchased, installed and tested by the Company or Company contractor at the Customer's expense. The Customer must demonstrate that its automated EMS intelligent device/equipment will receive the Company's signal and automatically act upon that signal to remove load down to the Contract Firm Demand level within 5 minutes of initial relay activation at the RTU. A $1,000 non-refundable deposit is required to perform the engineering and design work required to determine the costs associated with purchasing

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INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

and installing the RTU. A minimum of 6 months is required to design, order, install and test the required equipment to give the Company control over the Customer's load.

2. Customers may choose to utilize a Company owned and operated switch. The Company owned switch removes the Customer's entire load during a Capacity or Contingency interruption. The Customer must pay for the cost of the Company-owned switch and RTU that will receive the interruption and restore signals via phone or cellular communication, and lock the Customer's load out during a Capacity or Contingency interruption. The RTU shall be designed, purchased, installed and tested by the Company at the Customer's expense. A $1,000 non-refundable deposit is required to perform the engineering and design work needed to determine the costs associated with providing the Company physical control over the Customer's load. A minimum of 6 months is required to design, order, install and test the required equipment to give the Company control over the Customer's load. During a Capacity or Contingency interruption, the Company shall lock out the Customer's load to prevent the Customer from terminating the interruption before release. Sub-Option 2 is not available to Customers receiving secondary service from the Company.

All Customers who select the No Notice option shall submit to equipment testing at least once per year at the Company's discretion and provided no other Capacity or Contingency events occurred in the past 12 months that could be used to verify the correct operation of the disconnect equipment and RTU. Equipment testing may last less than the four-hour duration and may not count toward the Customer's Number of Interruptible Hours. Before joining the rate the Customer must complete a verification test to prove their load will drop off within 5 minutes if utilizing sub-option one or with No Notice if utilizing sub-option two above, and must also demonstrate that their load is physically locked out by the Company's RTU to prevent their interruptible load from restoring before restore signal is received.

TAMPERING: If Company determines that its load management or load control equipment on Customer's premises has been rendered ineffective due to tampering by use of mechanical, electrical or other devices or actions, then Company may terminate Customer's Agreement, or remove the Customer from the No Notice Option and place the Customer on the One Hour Notice Option rate for the remainder of the contract term, provided the customer has an MCR for the One Hour Notice Option. The Customer's credits will be adjusted accordingly. In addition, Customer may be billed for all expenses involved with the removal, replacement or repair of the load management equipment or load control equipment and any charges resulting from the

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INTERRUPTIBLE CREDIT OPTION (SUMMER ONLY)

TAMPERING (cont.):
investigation of the device tampering. In addition, Customer shall pay 50% of Customer's expected annual credit rate for all demand that Customer was obligated to interrupt but did not interrupt. The expected annual credit rate shall be the MCR times 4. A Customer that is removed from the program is only eligible to participate again at the discretion of Company. Company will verify installation has been corrected before Customer is permitted to participate in the program again.

LIMITATION OF LIABILITY: Customers who elect to take service under this tariff agree to indemnify and save harmless the Company from all claims or losses of any sort due to death or injury to person or property resulting from interruption of electric service under the SOICO program or from the operation of the interruption signal and switching equipment.

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GENERAL SERVICE Time of Use Rate T

APPLICABILITY: Optional rate limited to a combination of 250 commercial and industrial electric service customers supplied at either secondary or primary voltage at one Point of Delivery and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, in excess of 10 kW of demand.

If Customer elects service under this rate schedule, Customer must continue to take service under this optional rate for a minimum of 12 consecutive months.

Each year, Company will review the demand of all Customers receiving service under this tariff. If the average of Customer's twelve monthly demands in the immediately preceding calendar year does not exceed 10 kW, then Customer is not eligible to continue receiving service under this tariff.

Not applicable to standby, supplementary, resale or shared service, or service to oil and natural gas production Customers.

TERRITORY: Texas service territory.

RATE:

	Secondary Voltage	Primary Voltage	
Service Availability Charge	$30.26	$68.94	I
Energy Charge, All Hours	$0.008846	$0.006907	I
Energy Charge, On Peak Adder	$0.149306	$0.126262	I
Demand Charge	$12.14	$10.22	I

ON-PEAK HOURS: 1 p.m. through 7 p.m., Monday through Friday during the months of June through September.

Customers must contract for service under this tariff for a minimum of 12 consecutive calendar months. The On-Peak period shall be 1:00 pm to 7:00 pm, Monday through Friday during the months of June through September. The Off-Peak period shall be all other hours not covered in the On-Peak period.

OFF-PEAK HOURS: All hours other than On-Peak Hours described in this rate schedule.

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ELECTRIC TARIFF

GENERAL SERVICE Time of Use Rate T

DEMAND: Company will furnish, at Company's expense, the necessary metering equipment to measure the Customer's kW demand for the 30-minute period of greatest use during the month. The "Rule of 80" shall not apply to Customer's billing demand under Time of Use rates. T T

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand exceeding 200 kW. A Power Factor Adjustment will apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

FUEL COST RECOVERY AND ADJUSTMENTS: The charge per kWh shall be increased by the applicable fuel cost recovery factor per kWh as provided in PUCT Sheet IV-69. This rate schedule is subject to other applicable rate adjustments.

CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase, at one available standard secondary voltage.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

TERMS OF PAYMENT: Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules, Regulations and Conditions of Service on file with the Public Utility Commission of Texas. A Contract may be required by the Company to be executed prior to extending service if Customer's load is expected to be greater than 200 kW. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

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GENERAL SERVICE – Low Load Factor Rate

APPLICABILITY: Optional rate for commercial and industrial electric service customers supplied at secondary or primary voltage at one Point of Delivery and measured through one meter, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, in excess of 1,000 kW of demand, and load factors of 25 percent or less.

If Customer elects to take service under this optional rate schedule, customer must remain on this rate schedule for a minimum of twelve consecutive calendar months

Not applicable to standby, supplementary, resale or shared service, or service to oil and natural gas production Customers.

LOAD FACTOR: Determined by dividing Customer's monthly metered kWh in each billing cycle by the product of the Customer's maximum kW demand times 24 hours per day of the billing period. (kWh / (kW x 24 x days in billing period) Customer's load factor will be reviewed each calendar year. If Customer's average monthly load factor exceeds 25 percent for the previous calendar year, Customer will be moved to applicable general service rate for a minimum of 12 consecutive months. Customer's load factor can be re-evaluated for qualification for this rate schedule after each calendar year.

TERRITORY: Texas service territory.

RATE:

	Secondary Voltage	Primary Voltage	
Service Availability Charge	$30.26	$67.94	I
Energy Charge	$0.008846	$0.006907	I
Demand Charge, All Hours	$6.42	$6.10	I
Demand Charge, On Peak Adder	$24.00	$23.53	I

ON-PEAK HOURS: 1 p.m. through 7 p.m., Monday through Friday during the months of June through September.

Customers must contract for service under this tariff for a minimum of 12 consecutive calendar months. The On-Peak period shall be 1:00 pm to 7:00 pm, Monday through Friday during the months of June through September. The Off-Peak period shall be all other hours not covered in the On-Peak period.

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GENERAL SERVICE – Low Load Factor Rate

OFF-PEAK HOURS: All hours other than On-Peak Hours described in this rate schedule.

DEMAND: Company will furnish, at Company's expense, the necessary metering equipment to measure the Customer's kW demand for the 30-minute period of greatest use during each month and the 30-minute of greatest use during on-peak hours each month.

ON PEAK BILLING DEMAND: The greater of the maximum demand reading during the on-peak hours of the current month or 100% of the highest measured demand established in the billing months of June through September in the twelve (12) month period ending with the current month. The On-Peak Demand Charge is only applied during the months of June through September.

POWER FACTOR ADJUSTMENT: Company will install power factor metering for Customers with demand expected to exceed 200 kW. A power factor adjustment charge shall apply to all customers with power factor metering if the power factor at the time of the highest metered thirty-minute kW demand interval is less than 90 percent lagging, based upon:

Power Factor Adjustment Charge = Demand charge x ((0.95 ÷ customer's power factor x kW demand) – kW demand)

FUEL COST RECOVERY AND ADJUSTMENTS: The charge per kWh shall be increased by the applicable fuel cost recovery factor per kWh as provided in PUCT Sheet IV-69. This rate schedule is subject to other applicable rate adjustments.

CHARACTER OF SERVICE: A-C; 60 hertz; single or three phase, at one available standard secondary voltage.

LINE EXTENSIONS: Company will make line extensions in accordance with its standard line extension policy.

TERMS OF PAYMENT: Net in 16 days after mailing date; 5 percent added to bill after 16 days. If the sixteenth day falls on a holiday or weekend, the due date will be the next work day.

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ELECTRIC TARIFF

GENERAL SERVICE – Low Load Factor Rate

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules, Regulations and Conditions of Service on file with the Public Utility Commission of Texas. A Contract may be required by the Company to be executed prior to extending service if Customer's load is expected to be greater than 200 kW. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

Effective Date September 12, 2019 T

DIRECTOR, REGULATORY AND PRICING ANALYSIS

Xcel Energy℠
SOUTHWESTERN PUBLIC SERVICE

RULES, REGULATIONS AND CONDITIONS OF SERVICE

TABLE OF RULES

Effective Date September 12, 2019 T

[signature]

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Xcel Energy SOUTHWESTERN PUBLIC SERVICE

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

16. EXTENSION TO CUSTOMERS

General Policy:

This policy is only applicable for Extensions to Customers taking service at distribution voltages below 60 kV. T T

If a line Extension is required by a Customer other than a large industrial or commercial Customer or if facilities are not available, Company will inform Customer within 10 working days of receipt of the application, and will give Customer an estimated completion date and an estimated cost for all charges to be incurred by Customer.

Following assessment of necessary line work, Company will explain to Customer any construction cost options such as sharing of construction costs between Company and Customer, or sharing of costs between Customer and other Applicants.

Company will make an Extension to provide service to a new Customer when the revenue to be derived from such Extension will provide a suitable return. Extensions requiring an excessive expenditure in relation to revenues shall be made only when Customer makes a nonrefundable contribution in aid of construction. Such nonrefundable contribution will reduce Company's net Extension expenditure to a value which will provide a suitable return from expected revenues, thereby preventing undue hardship on the other Customers of Company. Construction shall not commence until the contribution is paid in full.

Requested alterations or relocations of Company facilities without a contribution in aid to construction impose an unfair burden on other Customers. Customer making such request shall make a nonrefundable contribution in aid of construction for the full cost of the alterations or relocations except where prohibited by law, franchise or the authority having jurisdiction.

The cost of a line Extension is based on an estimate of the cost of material for the specific line Extension. The cost includes the cost of material, labor, necessary transportation and equipment, and appropriate overheads applied in a uniform manner throughout Company's Texas service territory. At the option of the Customer, the Company or the Customer will be responsible for negotiating and acquiring any necessary right-of- way required for the line Extension. T T

The Company shall have the option of performing all ditching and backfilling required for the installation of all underground wires and cables at the Customer's expense. If Company is unable T T

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

General Policy: (cont.)

or unwilling to do ditching and backfilling, the Customer shall do it in accordance with Company specifications. T T

Expected annual revenue, which excludes fuel and purchased power cost, is to be estimated by applying current rates to Customer's estimated load data. Average-use data may be used to calculate annual revenue when appropriate, for example, if Customer's load is highly sensitive.

A suitable return, as used in this rule, is provided when an economic analysis results in a return on the investment in plant and equipment related to the line Extension equal to or greater than the allowed return granted in Company's most recent rate case. Such economic analysis will incorporate estimated annual revenue, operating and maintenance expenses, line Extension cost, other costs as appropriate, and expected duration of service to the new Customer.

Extensions to Customers will be made in compliance with Company's distribution standards. Each Extension shall be considered upon its individual merits and will be governed where applicable, by the following Extension policy statements and exhibits:

A. Except for service to Customers specifically addressed in paragraphs B., C., and D. below, Company will make an Extension at its cost to Customers who qualify for service under its applicable tariffs when the cost of the Extension does not exceed 3.0 times the expected annual revenue to be derived from such Extension, excluding any fuel and purchased power cost revenue. Customer shall pay to Company a nonrefundable contribution in aid of construction, all costs of such Extension which exceed 3.0 times the expected annual revenue figure described in the preceding sentence.

~~B. Irrigation: Customer shall pay to Company a nonrefundable contribution in aid of construction, all costs of such Extension. An irrigation Extension shall be used in instances where Customer uses Company's service for the purpose of pumping water to irrigate a tract of land on a permanent basis and plans to raise a crop (cotton, feed, wheat, vegetables, grass, etc.). If Customer is planning to pump water for domestic use, the irrigation Extension may not apply.~~ T T

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B. Primary and Secondary General Service: Due to the complexities and substantial costs often involved in this type of service Extension, each request for service will be evaluated on its individual costs and benefits. For Customers requesting service for oil or natural gas production, Company will extend a primary voltage above 2.4 kV but less than 69 kV to Customer's oil or gas field lease or boundary line.

Company will extend its facilities to serve Customers qualifying for service under its Primary and Secondary General Service Tariff based upon the following guidelines.

1. For Extensions costing $300,000 or less, Company will extend service at its cost when the total cost of service does not exceed the expected annual revenue multiplied by a factor of 3.0, excluding any fuel and purchased power cost revenue. Customer shall pay to Company a nonrefundable contribution in aid of construction, all costs for such Extension which exceed 3.0 times the expected annual revenue figure described in the preceding sentence. In addition, Company shall gross up the non-refundable contribution amount to account for taxes associated with the non-refundable contribution.

2. For Extensions costing more than $300,000, Company will make the Extension at its cost if the expected revenue from the service provides a suitable return. Extensions requiring an excessive expenditure in relation to revenue shall be made only when Customer makes a nonrefundable contribution in aid of construction, thereby lowering Company's investment in the extension to an amount on which suitable return can be realized. In addition, Company shall gross up the non-refundable contribution amount to account for taxes associated with the non-refundable contribution.

3. A Service Agreement or Special Contract may be required by Company to be executed prior to extending service. The contract term shall contain a minimum contract period with an automatic renewable provision from year to year thereafter.

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General Policy: (cont.)

C. Extension policies defining other specific service conditions are included in the following exhibits:

1. Underground Distribution Extension – Exhibit "A"
2. Residential Development Extension – Exhibit "B"
3. Municipal Requested Streetlight Extension – Exhibit "C"

Any request for an Extension that cannot be agreeably resolved between Company and Customer shall be referred to the regulatory body having jurisdiction.

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EXHIBIT A

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Extension Policy

TITLE: Underground Distribution Extension.

PURPOSE: To establish a policy under which Company can extend its electric facilities for the above titled service. Company's tariffs covering electricity consumption are all based on service being supplied by normal overhead facilities. Requirements imposed on the owner or developer, herein called owner, under this policy are designed so that Company may provide underground service when requested by the owner without causing undue hardship on other Customers of the Company. Undue hardship is placed on other Customers of the Company when Company's cost of making the requested extension is such that the revenues to be derived from the extension will not provide a suitable return as described in the Company's Rules, Regulations and Conditions of Service-Extensions to Customers.

POLICY DEFINITION: Company will provide a distribution system placed underground utilizing pad mounted type transformers and enclosures. The distribution system may provide single or three phase, three or four wire service at a nominal 120/240 Volts, 120/208 Volts or 277/480 Volts at a Point of Delivery acceptable to Company. Metering will be provided and installed by the Company.

REQUIREMENTS FOR OWNER: The owner shall provide, at no expense to Company, the following:

A. **Survey and Plats:** Certified plats identifying property corners that have been located on the ground by a qualified surveyor in a Company approved format.

B. **Easements and Rights-of-Way:** Valid easements and rights-of-way, as required by the Company, to cover the distribution system.

C. **Ditching and Backfilling:** All ditching and backfilling required for the installation of all underground wires and cables, in accordance with Company specifications.

D. **Compliance with Company Standards:** All aspects of interconnection shall comply with Company standards, electrical codes and the rules of the jurisdiction having authority.

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EXHIBIT A

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Extension Policy

E. **Contribution in Aid of Construction:** Company will make an Extension at its cost to Customers who qualify for service under its applicable tariffs, when the cost of the Extension does not exceed 3.0 times the expected annual revenue to be derived from such Extension, excluding any fuel and purchased power cost revenue. Customer shall pay to Company a nonrefundable contribution in aid of construction, all costs of such Extension which exceed 3.0 times the expected annual revenue figure described in the preceding sentence. In addition, Company shall gross up the non-refundable contribution amount to account for taxes associated with the non-refundable contribution.

F. **Overhead to Underground Conversion:** Company will agree to place existing or future feeder circuits and distribution lines underground only when the cost is borne by the owner or others. Costs associated with such underground feeder circuits and distribution lines shall be determined by Company.

Evan D. Evans

DIRECTOR, REGULATORY AND PRICING ANALYSIS

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EXHIBIT B

Page 1 of 2

Extension Policy

TITLE: Residential Development Extension.

PURPOSE: The purpose of this Extension policy is to establish a means by which Company can provide requested extensions of electric distribution facilities into a specific residential development area for service to future Company Customers within that area without causing an undue hardship on other Company Customers. Undue hardship is placed on other Customers when Company's cost of making a requested extension is such that the revenue to be derived from the extension will not provide a suitable return to the Company.

AVAILABILITY: Extension of electric distribution facilities is available to any developer engaged in subdividing a contiguous parcel of land, located within Company's Texas service area, into specified lots or tracts intended for sale or lease and utilization as lots for residential occupancy. However, the development must be under the control of a responsible developer who shall comply with the terms and conditions of this policy.

STATEMENT OF POLICY:

1. Company will extend a primary voltage line to serve the development, including a secondary voltage line ("Extension").

2. Developer will provide a non-refundable contribution in aid of construction in the amount of Company's estimated total cost of the Extension. In addition, Company shall gross up the non-refundable contribution amount to account for taxes associated with the non-refundable contribution.

3. Company may make other extensions, alterations, or additions to the Extension for service to Customers outside of the development.

4. Upon the request of any owner of a lot within the development, Company will extend service from the Extension to the Point of Delivery in accordance with Company's Rules, Regulations and Conditions of Service.

5. The subdivided parcel of land shall be defined by a recorded plat, a copy of which shall be provided to Company in Company's approved format.

Evan D. Evans

DIRECTOR, REGULATORY AND PRICING ANALYSIS

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EXHIBIT B

Extension Policy

6. The developer shall provide at no expense to Company, valid easements and rights-of way as required by Company covering all Company's facilities

STREET LIGHTING: Company will provide street lighting requested by a Municipal Authority having jurisdiction within the specified area being developed under this policy provided that the type of lighting requested is compatible with the distribution system, and the Municipal Authority agrees to the monthly service charges specified on the applicable tariffs.

Installed costs for all street light facilities for the requested type of service will be included with any required distribution extension costs for extension cost calculation purposes.

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EXHIBIT C

Extension Policy

TITLE: Municipal Requested Streetlight Extension.

PURPOSE: The purpose of this Extension policy is to establish a means by which Company can provide Municipal Requested Streetlights in any developed area that the requesting Municipal Authority has jurisdiction without causing an undue hardship on other Company Customers. Undue hardship is placed on other Customers when Company's cost of making a requested extension is such that the revenue to be derived from the extension will not provide a suitable return to Company.

AVAILABILITY: Extension of electric distribution facilities is available in any previously developed area being under the jurisdiction of the requesting Municipal Authority located within Company's Texas service area.

STATEMENT OF POLICY:

1. Company will install and maintain all necessary facilities as determined by Company to fulfill the Municipal Authorities request.

2. Municipal Authority will provide Company with a letter including, but not limited to, the following:

    a. Location of Streetlight(s)
    b. Number of Streetlights desired at each location
    c. Type of Streetlight(s) desired at each location

3. Company will make the Extension at its cost when the total cost of service does not exceed the total streetlight allowance. The streetlight allowance shall be the expected annual revenue for the requested streetlight multiplied by a factor of 3.0, excluding any fuel and purchased power cost revenue. The Municipal Authority shall pay to Company a nonrefundable contribution in aid of construction, all costs which exceed the total streetlight allowance. In addition, Company shall gross up the non-refundable contribution amount to account for taxes associated with the non-refundable contribution.

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EXHIBIT C

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Extension Policy

4. A streetlight will be provided that is compatible with the distribution system given that the requesting Municipal Authority agrees to the monthly service charges specified on the applicable tariffs.

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Production Unit (if applicable)	FERC Account	Description	Settled Depreciation Rate
	Intangible Plant		
	303	Software - 3 Year	33 33%
	303	Software - 5 Year	20 00%
	303	Software - 7 Year	14 29%
	303	Software - 10 Year	10.00%
	303	Software - 15 Year	6.67%
	Steam Production		
Cunningham Common Facilities	310	Land Rights NM	1.55%
Cunningham Common Facilities	311	Structures and Improvements	3.30%
Cunningham Common Facilities	312	Boiler Plant Equipment	3.00%
Cunningham Common Facilities	314	Turbogenerators	3.79%
Cunningham Common Facilities	315	Accessory Electric Equipment	2.35%
Cunningham Common Facilities	316	Miscellaneous Power Plant Equipment	2.25%
Cunningham Unit 1	311	Structures and Improvements	6.98%
Cunningham Unit 1	312	Boiler Plant Equipment	11.82%
Cunningham Unit 1	314	Turbogenerators	8.79%
Cunningham Unit 1	315	Accessory Electric Equipment	12.04%
Cunningham Unit 1	316	Miscellaneous Power Plant Equipment	18 40%
Cunningham Unit 2	311	Structures and Improvements	5.19%
Cunningham Unit 2	312	Boiler Plant Equipment	5.85%
Cunningham Unit 2	314	Turbogenerators	4.57%
Cunningham Unit 2	315	Accessory Electric Equipment	6.03%
Cunningham Unit 2	316	Miscellaneous Power Plant Equipment	9.11%
Harrington Common Facilities	310	Land Rights TX	2.17%
Harrington Common Facilities	311	Structures and Improvements	2.80%
Harrington Common Facilities	312	Boiler Plant Equipment	2.98%
Harrington Common Facilities	314	Turbogenerators	2.66%
Harrington Common Facilities	315	Accessory Electric Equipment	3 75%
Harrington Common Facilities	316	Miscellaneous Power Plant Equipment	2 26%
Harrington Unit 1	311	Structures and Improvements	2.06%
Harrington Unit 1	312	Boiler Plant Equipment	3.02%
Harrington Unit 1	314	Turbogenerators	3.34%
Harrington Unit 1	315	Accessory Electric Equipment	2.84%
Harrington Unit 1	316	Miscellaneous Power Plant Equipment	2.38%
Harrington Unit 2	311	Structures and Improvements	2 44%
Harrington Unit 2	312	Boiler Plant Equipment	2 80%
Harrington Unit 2	314	Turbogenerators	3 20%
Harrington Unit 2	315	Accessory Electric Equipment	2 81%
Harrington Unit 2	316	Miscellaneous Power Plant Equipment	2.04%
Harrington Unit 3	311	Structures and Improvements	2.09%
Harrington Unit 3	312	Boiler Plant Equipment	2 51%
Harrington Unit 3	314	Turbogenerators	2 63%
Harrington Unit 3	315	Accessory Electric Equipment	2.58%
Harrington Unit 3	316	Miscellaneous Power Plant Equipment	2.09%
Jones Common Facilities	311	Structures and Improvements	1 94%
Jones Common Facilities	312	Boiler Plant Equipment	1.91%
Jones Common Facilities	314	Turbogenerators	1.72%
Jones Common Facilities	315	Accessory Electric Equipment	2 07%
Jones Common Facilities	316	Miscellaneous Power Plant Equipment	1.83%
Jones Unit 1	310	Land Rights TX	3.15%
Jones Unit 1	311	Structures and Improvements	3.07%
Jones Unit 1	312	Boiler Plant Equipment	4.31%
Jones Unit 1	314	Turbogenerators	4 45%
Jones Unit 1	315	Accessory Electric Equipment	4 78%
Jones Unit 1	316	Miscellaneous Power Plant Equipment	2 04%

Jones Unit 2	311	Structures and Improvements	2 81%
Jones Unit 2	312	Boiler Plant Equipment	2.84%
Jones Unit 2	314	Turbogenerators	3.49%
Jones Unit 2	315	Accessory Electric Equipment	4.14%
Jones Unit 2	316	Miscellaneous Power Plant Equipment	2.08%
Maddox	310	Land Rights NM	2.51%
Maddox	311	Structures and Improvements	4.87%
Maddox	312	Boiler Plant Equipment	5.41%
Maddox	314	Turbogenerators	4.67%
Maddox	315	Accessory Electric Equipment	5 10%
Maddox	316	Miscellaneous Power Plant Equipment	4 61%
Moore County	310	Land Rights TX	0.00%
Moore County	310	Water Rights TX	0 00%
Moore County	311	Structures and Improvements	NA
Moore County	312	Boiler Plant Equipment	NA
Moore County	314	Turbogenerators	NA
Moore County	315	Accessory Electric Equipment	NA
Moore County	316	Miscellaneous Power Plant Equipment	NA
Nichols Common Facilities	310	Land Rights TX	4 25%
Nichols Common Facilities	311	Structures and Improvements	4.35%
Nichols Common Facilities	312	Boiler Plant Equipment	5.60%
Nichols Common Facilities	314	Turbogenerators	3.91%
Nichols Common Facilities	315	Accessory Electric Equipment	4.04%
Nichols Common Facilities	316	Miscellaneous Power Plant Equipment	3.23%
Nichols Unit 1	311	Structures and Improvements	5.47%
Nichols Unit 1	312	Boiler Plant Equipment	6.01%
Nichols Unit 1	314	Turbogenerators	4.76%
Nichols Unit 1	315	Accessory Electric Equipment	6 04%
Nichols Unit 1	316	Miscellaneous Power Plant Equipment	5.56%
Nichols Unit 2	311	Structures and Improvements	3 25%
Nichols Unit 2	312	Boiler Plant Equipment	5.89%
Nichols Unit 2	314	Turbogenerators	6.33%
Nichols Unit 2	315	Accessory Electric Equipment	4.57%
Nichols Unit 2	316	Miscellaneous Power Plant Equipment	2.48%
Nichols Unit 3	311	Structures and Improvements	2.49%
Nichols Unit 3	312	Boiler Plant Equipment	3.41%
Nichols Unit 3	314	Turbogenerators	3.63%
Nichols Unit 3	315	Accessory Electric Equipment	3.83%
Nichols Unit 3	316	Miscellaneous Power Plant Equipment	4.65%
Plant X Common Facilities	310	Water Rights TX	1 93%
Plant X Common Facilities	311	Structures and Improvements	4.51%
Plant X Common Facilities	312	Boiler Plant Equipment	6.06%
Plant X Common Facilities	314	Turbogenerators	7.90%
Plant X Common Facilities	315	Accessory Electric Equipment	4.68%
Plant X Common Facilities	316	Miscellaneous Power Plant Equipment	3.88%
Plant X Unit 1	311	Structures and Improvements	7.47%
Plant X Unit 1	312	Boiler Plant Equipment	8 72%
Plant X Unit 1	314	Turbogenerators	7 29%
Plant X Unit 1	315	Accessory Electric Equipment	15 94%
Plant X Unit 1	316	Miscellaneous Power Plant Equipment	8 58%
Plant X Unit 2	311	Structures and Improvements	7.29%
Plant X Unit 2	312	Boiler Plant Equipment	9.90%
Plant X Unit 2	314	Turbogenerators	7 71%
Plant X Unit 2	315	Accessory Electric Equipment	6 62%
Plant X Unit 2	316	Miscellaneous Power Plant Equipment	8 92%
Plant X Unit 3	311	Structures and Improvements	3.70%
Plant X Unit 3	312	Boiler Plant Equipment	4.30%
Plant X Unit 3	314	Turbogenerators	4.01%
Plant X Unit 3	315	Accessory Electric Equipment	4.77%
Plant X Unit 3	316	Miscellaneous Power Plant Equipment	4.39%
Plant X Unit 4	311	Structures and Improvements	4.97%

Plant X Unit 4	312	Boiler Plant Equipment	3.88%
Plant X Unit 4	314	Turbogenerators	4.57%
Plant X Unit 4	315	Accessory Electric Equipment	3.72%
Plant X Unit 4	316	Miscellaneous Power Plant Equipment	6.05%
Riverview	310	Land Rights TX	0.00%
Tolk Common Facilities	310	Water Rights TX	3.89%
Tolk Common Facilities	311	Structures and Improvements	4.09%
Tolk Common Facilities	312	Boiler Plant Equipment	3.43%
Tolk Common Facilities	314	Turbogenerators	3.58%
Tolk Common Facilities	315	Accessory Electric Equipment	3.75%
Tolk Common Facilities	316	Miscellaneous Power Plant Equipment	2.20%
Tolk 1	310	Land Rights TX	1.94%
Tolk 1	311	Structures and Improvements	2.23%
Tolk 1	312	Boiler Plant Equipment	2.71%
Tolk 1	314	Turbogenerators	2.27%
Tolk 1	315	Accessory Electric Equipment	2.29%
Tolk 1	316	Miscellaneous Power Plant Equipment	2.45%
Tolk 2	310	Land Rights TX	1.94%
Tolk 2	311	Structures and Improvements	2.36%
Tolk 2	312	Boiler Plant Equipment	2.76%
Tolk 2	314	Turbogenerators	2.39%
Tolk 2	315	Accessory Electric Equipment	3.22%
Tolk 2	316	Miscellaneous Power Plant Equipment	2.16%
Tolk Common Retiring 2055	310	Water Rights TX	0.00%
Tolk Common Retiring 2055	311	Structures and Improvements	2.25%
Tolk Common Retiring 2055	312	Boiler Plant Equipment	2.33%
Tolk Common Retiring 2055	314	Turbogenerators	2.37%
Tolk Common Retiring 2055	315	Accessory Electric Equipment	2.60%
Tolk Common Retiring 2055	316	Miscellaneous Power Plant Equipment	1.81%
Tolk 1 Retiring 2055	310	Land Rights TX	0.00%
Tolk 1 Retiring 2055	311	Structures and Improvements	1.60%
Tolk 1 Retiring 2055	312	Boiler Plant Equipment	1.56%
Tolk 1 Retiring 2055	314	Turbogenerators	1.61%
Tolk 1 Retiring 2055	315	Accessory Electric Equipment	1.66%
Tolk 1 Retiring 2055	316	Miscellaneous Power Plant Equipment	1.48%
Tolk 2 Retiring 2055	310	Land Rights TX	0.00%
Tolk 2 Retiring 2055	311	Structures and Improvements	1.55%
Tolk 2 Retiring 2055	312	Boiler Plant Equipment	1.58%
Tolk 2 Retiring 2055	314	Turbogenerators	1.99%
Tolk 2 Retiring 2055	315	Accessory Electric Equipment	1.82%
Tolk 2 Retiring 2055	316	Miscellaneous Power Plant Equipment	1.59%
	Other Production		
Blackhawk	342	Fuel Holders and Accessory Equipment	2.08%
Carlsbad	341	Structures and Improvements	NA
Carlsbad	342	Fuel Holders and Accessory Equipment	NA
Carlsbad	343	Prime Movers	NA
Carlsbad	344	Generators	NA
Carlsbad	345	Accessory Electric Equipment	NA
Carlsbad	346	Miscellaneous Power Plant Equipment	NA
Cunningham	341	Structures and Improvements	2.98%
Cunningham	342	Fuel Holders and Accessory Equipment	3.33%
Cunningham	343	Prime Movers	2.85%
Cunningham	344	Generators	4.11%
Cunningham	345	Accessory Electric Equipment	2.73%
Cunningham	346	Miscellaneous Power Plant Equipment	3.27%
Hale Wind Project	341	Structures and Improvements	4.07%
Hale Wind Project	342	Fuel Holders and Accessory Equipment	4.07%
Hale Wind Project	343	Prime Movers	4.07%

Hale Wind Project	344	Generators	4.07%
Hale Wind Project	345	Accessory Electric Equipment	4.07%
Hale Wind Project	346	Miscellaneous Power Plant Equipment	4.07%
Jones Unit 3	341	Structures and Improvements	2.31%
Jones Unit 3	342	Fuel Holders and Accessory Equipment	2.32%
Jones Unit 3	343	Prime Movers	2.04%
Jones Unit 3	344	Generators	2.32%
Jones Unit 3	345	Accessory Electric Equipment	2.31%
Jones Unit 3	346	Miscellaneous Power Plant Equipment	2.31%
Jones Unit 4	341	Structures and Improvements	2.31%
Jones Unit 4	342	Fuel Holders and Accessory Equipment	2.31%
Jones Unit 4	343	Prime Movers	2.31%
Jones Unit 4	344	Generators	2.31%
Jones Unit 4	345	Accessory Electric Equipment	2.31%
Jones Unit 4	346	Miscellaneous Power Plant Equipment	2.31%
Maddox	341	Structures and Improvements	4.42%
Maddox	342	Fuel Holders and Accessory Equipment	2.81%
Maddox	343	Prime Movers	3.68%
Maddox	344	Generators	3.47%
Maddox	345	Accessory Electric Equipment	4.93%
Maddox	346	Miscellaneous Power Plant Equipment	5.65%
Quay County	341	Structures and Improvements	4.91%
Quay County	342	Fuel Holders and Accessory Equipment	3.38%
Quay County	343	Prime Movers	2.21%
Quay County	344	Generators	4.70%
Quay County	345	Accessory Electric Equipment	4.54%
Quay County	346	Miscellaneous Power Plant Equipment	4.54%
Riverview	340	Land and Water Rights	0.00%

Transmission

3502	Land Rights	1.26%
352	Structures & Improvements	1.72%
353	Station Equipment	2.29%
354	Towers & Fixtures	1.46%
355	Poles & Fixtures	2.78%
356	Overhead Conductors & Devices	2.85%
357	Underground Conduit	1.47%
358	Underground Conductor & Devices	2.46%
359	Roads and Trails	1.55%

Distribution (TX Only)

3602	Land Rights	1.41%
361	Structures & Improvements	1.80%
362	Station Equipment	2.06%
364	Poles, Towers & Fixtures	2.79%
365	Overhead Conductors & Devices	2.94%
366	Underground Conduit	1.95%
367	Underground Conductor & Devices	2.51%
368	Line Transformers	2.62%
369.01	Services - Overhead	2.92%
369.02	Services - Underground	2.92%
370	Meters	2.74%
371	Installations on Customers' Premises	4.41%
373	Street Lighting & Signal Systems	3.53%

General

389.002	Land Rights	2.47%
390	Structures & Improvements	2.54%
390.007	Structures & Improvements - Leasehold	0.00%
391	Office Furniture & Equipment	4.00%

391.004	Network Equipment	20 00%
392.01	Transportation Equipment - Autos	9.10%
392.02	Transportation Equipment - Light Trucks	9.30%
392.03	Transportation Equipment - Trailers	6.07%
392.04	Transportation Equipment - Heavy Trucks	7.83%
393	Stores Equipment	2 86%
394	Tool, Shop & Garage Equipment	2 86%
395	Laboratory Equipment	4.00%
396	Power Operated Equipment	4.74%
397	Communication Equipment	6 93%
398	Miscellaneous Equipment	4 17%

Notes
(A) Approved parameters and depreciation rates from Docket No 43695, unless noted otherwise
(B) Approved 15 Year Life in Docket No. 45524.
(C) Order on Docket No. 47527 allowed half the depreciation expense requested which equated to accrual rates using a 2037 retirement date.
(D) SPS owns the Blackhawk pipeline, but does not own the Blackhawk plant. SPS has a purchase power agreement for power from the Blackhawk plant
(E) Approved depreciation rate that equates to 2049 retirement date and net salvage from the unopposed stipulation in Docket No 46936 .
(F) Since property records do not distinguish between Maddox Unit 2 and Maddox Unit 3, the longer retirement date of Maddox 3 is used to model that facility
(G) Assets amortized over the lease term.
(H) Parameters and Depreciation Rates unchanged from Approved
(I) Parameters and Depreciation Rates settled in this proceeding, Docket 49831.
Please refer to Appendix B and B-1 for calculations of depreciation rates. Refer to Appendix C for reserve reallocation details.

PENSION AND OPEB EXPENSE TRACKER BASELINE AND AMORTIZATION

GOING-FORWARD PENSION AND OPEB BASELINES

The Texas retail pension and OPEB baselines are $5,872,449 for qualified pension and $(19,248) for OPEB. Those amounts were calculated as follows:

	Test Year Expense[1]	Jurisdictional Allocation Factor[2]	Texas Retail Amount
Pension	$9,815,224	59.83%	$5,872,449
OPEB	$(31,271)	59.83%	$(19,248)

Those baseline amounts, which are assumed to be included in the Docket No. 49831 Stipulation revenue requirement, will be compared to the actual amounts that SPS incurs for pension and OPEB expense beginning July 1, 2019.

CURRENT PENSION AND OPEB TRACKER BALANCE

In Docket No. 49831, SPS requested that the total net pension and OPEB deferral amount of $1,574,975 be amortized over a one-year period.[3] The $1,574,975 is made up of two parts, which are shown in the table below.

Pension and OPEB Deferrals	Direct Testimony
Pension and OPEB expense deferred from prior cases	$(276,798)
Pension and OPEB expense deferred from July 1, 2017 to March 31, 2019	1,851,773
Total Net Pension and OPEB Deferrals	**$1,574,975**

[1] Source: Update Testimony of Richard R. Schrubbe at 6.

[2] Source: Update Testimony of Arthur P. Freitas, Attachment APF-RR-U2 at 8, line 236.

[3] Source: Direct Testimony of Richard R. Schrubbe at 40.

PUC DOCKET NO. 49831
SOAH DOCKET NO. 473-19-6677

APPLICATION OF SOUTHWESTERN PUBLIC SERVICE COMPANY FOR AUTHORITY TO CHANGE RATES	§ § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

PROPOSED ORDER

This Order addresses the application of Southwestern Public Service Company (SPS) for authority to change its rates. SPS filed an unopposed agreement that resolves certain issues between the parties in this proceeding. The Commission approves SPS's changes in rates, as modified by the agreement, to the extent provided in this Order.

I. Discussion

A. SPS's Application

On August 8, 2019, SPS filed an application requesting authority to revise its base rates. SPS's application was filed under PURA[1] § 36.112, which allows for the utility's revenue requirement to be based on information submitted for a test year, updated to include information that reflects the most current actual or estimated information regarding increases or decreases to the utility's cost of service. In the application, SPS elected to provide information submitted for a test year but updated to include estimated information for an update period, which was the three-month period from April 1, 2019 through June 30, 2019. This effectively created an updated test year consisting of the twelve-month period from July 1, 2018 through June 30, 2019. After replacing certain estimated amounts with actual amounts as required under PURA § 36.112(d), SPS's updated application requested Commission approval of base rate revenues of $694,749,087 for the Texas jurisdiction, which represents an increase of $151,227,545 over SPS's current base rate revenues on a Texas retail basis.

As modified by rebuttal testimony, SPS requested approval of base rate revenues of $687,928,350 for the Texas jurisdiction. This represented an increase of $144,406,129 over SPS's

[1] Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016 (PURA).

current level of Texas retail base rate revenues. In conjunction with the proposed base rate increase, SPS requested that its transmission cost recovery factor (TCRF) approved in Docket No. 46877,[2] which recovered $14,754,907 during the updated test year, be set to zero.

B. The Settlement Agreement

A settlement agreement was filed on May 20, 2020. The agreement was signed by the following parties: Commission Staff; SPS; International Brotherhood of Electrical Workers Local Union 602; Texas Industrial Energy Consumers (TIEC); Texas Cotton Ginners' Association; Alliance of Xcel Municipalities (AXM); Office of Public Utility Counsel (OPUC); United States Department of Energy; Amarillo Recycling Co., Inc.; Wal-Mart Stores Texas, LLC, and Sam's East, Inc.; and Canadian River Municipal Water Authority. Golden Spread Electric Cooperative, Inc.; Sierra Club; and Orion Engineered Carbons, LLC (Orion Carbons) do not join the agreement but also do not oppose it.

The Commission adopts the following findings of fact and conclusions of law:

II. Findings of Fact

Applicant

1. SPS is incorporated under the laws of the State of New Mexico and is a wholly owned subsidiary of Xcel Energy, Inc.
2. SPS is a fully integrated utility that owns equipment and facilities to generate, transmit, distribute, and sell electricity in Texas and New Mexico.
3. SPS is authorized under certificate of convenience and necessity number 30153 to provide service to the public and to provide retail electric utility service within its certificated service area.
4. The New Mexico Public Regulation Commission regulates SPS's New Mexico retail operations.
5. The Federal Energy Regulatory Commission regulates SPS's wholesale electric operations.

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[2] *Application of Southwestern Public Service Company for Approval of Transmission Cost Recovery Factor*, Docket No. 46877, Order (Jun. 29, 2017).

Application

6. On August 8, 2019, SPS filed an application requesting authority to change its Texas retail rates based on a historical test year of April 1, 2018 through March 31, 2019, adjusted for known and measurable changes.

7. SPS originally requested an overall increase in base rate revenues for the Texas retail jurisdiction of $155,905,162 per year.

8. In addition, SPS requested that its TCRF approved in Docket No. 46877, be set to zero.

9. SPS requested approval of a set of proposed tariff schedules reflecting the increased rates and other revised terms.

10. SPS requested an effective date for the new rates and tariff schedules of September 12, 2019.

11. On September 20, 2019, SPS filed an update to its application based on the use of actual amounts in place of estimated amounts for the time period of April 1, 2019 through June 30, 2019. With the updated amounts, SPS's updated application requested Commission approval of base rate revenues of $694,749,087 for the Texas jurisdiction, representing an increase of $151,227,545 over SPS's current base rate revenues on a Texas retail basis.

Notice

12. SPS provided notice by publication for four consecutive weeks before the relate-back date of the proposed rate change in newspapers having general circulation in each county of SPS's Texas service territory. SPS also mailed notice of the proposed rate change to all of its customers. Additionally, SPS timely served notice of its statement of intent to change rates on all municipalities retaining original jurisdiction over its rates and services.

13. On February 24, 2020, SPS filed (a) publishers' affidavits attesting to publication of notice in the *Amarillo Globe News* and *Lubbock Avalanche-Journal* on September 16, September 23, September 30, and October 7, 2019; in the *Muleshoe Journal,* and *Sherman County Gazette,* on December 12, December 19, December 26, 2019, and January 2, 2020; in the *The Caprock Courier*, and *The County Star News* on December 19, December 26, 2019, and January 2 and January 9, 2020; the *Dalhart Texan* on December 20, December

27, 2019, and January 3 and January 10, 2020; *The Miami Chief* on January 2, January 9, January 16 and January 23, 2020; and, *Booker News* on January 9, January 16, January 23, and January 30, 2020. Also, on February 24, 2020, SPS filed an affidavit attesting that SPS mailed notice to all affected customers in its service territory.

Interventions

14. In State Office of Administrative Hearings (SOAH) Order No. 2 issued on September 6, 2019, the SOAH administrative law judges (ALJs) granted the motions to intervene filed by OPUC, AXM, TIEC, Golden Spread Electric Cooperative, Texas Cotton Ginners' Association, and the Canadian River Municipal Water Authority

15. In SOAH Order No. 3 issued on October 4, 2019, the SOAH ALJs granted the motions to intervene of TIEC, International Brotherhood of Electrical Workers Local Union 602, Sierra Club, Orion Engineered Carbons, LLC, Walmart Inc., the United States Department of Energy, J. Fuete, and Dylan Medley.

16. In SOAH Order No. 4 issued on October 23, 2019, the SOAH ALJs granted the motion to intervene of Amarillo Recycling Co., Inc., and dismissed the intervention of J. Fuete.

17. Dylan Medley failed to file a notice to participate as required by SOAH Order No. 10 and has made no filings other than to seek intervention in this docket.

18. Commission Staff also participated as a party to this proceeding as a matter of right.

Testimony and Statements of Position

19. On August 8, 2019, SPS filed direct testimony and rate-filing package schedules.

20. On September 20, 2019, SPS filed updated direct testimony and rate-filing package schedules.

21. On February 10, February 11, and February 18, 2020, intervenors filed direct testimony and workpapers.

22. On February 11, February 19, and March 10, 2020, intervenors filed statements of position.

23. On February 18, 2020, Commission Staff filed direct testimonies and workpapers.

24. On March 10, 2020, intervenors and Commission Staff filed cross-rebuttal testimony.

25. On March 11, 2020, SPS filed rebuttal testimony, in which it further reduced its requested rate increase to $129,651,901 to reflect certain corrections, adjustments, and concessions.

26. On _______, 2020, SPS and Commission Staff presented testimony in support of the agreement.

Agreement

27. On May 20, 2020, SPS filed the agreement, which resolves certain issues between the parties in this proceeding. All but three parties joined the agreement. Golden Spread Electric Cooperative, Sierra Club and Orion Carbons did not sign, but also do not oppose, the agreement.

28. The agreement is a black-box settlement for all revenue-requirement issues concerning Texas retail rates except as provided in this Order.

Revenue Requirement and Base Rates

29. The signatories agreed to a $88 million black-box rate increase, resulting in SPS's Texas retail base rate revenues being set to $631,521,542. The signatories further agreed that SPS's TCRF rate approved in Docket No. 46877 should be set to zero. The net impact from this case will be an increase of $73,245,093.

30. The $88 million rate increase, and the reduction of the TCRF to zero, relates back to usage on and after September 12, 2019. For usage on and after September 12, 2019 through the day before the date SPS begins to implement the rates approved in this order, SPS may implement surcharges and refunds, as applicable, to recover the revenue it would have received during that period if the tariffs provided in Attachment B to the agreement had been in effect during that period.

31. The revenues produced by the rates approved in this Order will provide SPS with revenues sufficient to cover its expenses and provide an adequate return.

Cost of Capital

32. The signatories agreed that SPS's weighted average cost of capital will be 7.13%, and that the return on equity used for allowance for funds used during construction will be set to 9.45%, with a 54.62% equity and 45.38% debt capital structure.

Depreciation Expense

33. Under the settlement agreement, the parties agreed that SPS's depreciation rates for the Tolk generating station will continue to reflect a depreciation rate based on a 2037 end-of-life assumption, as agreed and ordered in Docket 47527,[3] and that the depreciation rate will use a negative 5% net salvage assumption.

34. For SPS's Hale Wind Project, the depreciation rate will be set to apply a 25-year end-of-life assumption, and a negative 1.71% net salvage assumption.

35. For all generating units other than Tolk and Hale, the depreciation rate will apply SPS's proposed end-of-life dates and a negative 5% net salvage assumption.

36. For transmission plant, the depreciation rates will be set by applying thirty-five percent of the incremental changes between SPS's existing depreciation rates and the depreciation rates SPS proposed for transmission assets in its September 20, 2019 update filing.

37. All distribution, general and intangible plant depreciation rates will remain unchanged from prior rates.

38. The depreciation rates for SPS are set forth in Attachment C of the agreement.

Capital Additions

39. SPS provided testimony demonstrating the reasonableness and necessity of the capital additions.

40. SPS also provided testimony from business area witnesses explaining the reasonableness and necessity of the capital additions for particular business areas.

41. The capital additions that SPS closed to plant in service during the period of July 1, 2017 through June 30, 2019 that are included in SPS's updated test-year rate base total $940,797,043.

42. Such capital additions are used and useful and were prudently incurred.

[3] *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 47527, Final Order (December 10, 2018).

Ring-Fencing

43. The signatories agreed to adopt ring-fencing measures for SPS as set forth in findings of fact 44 through 58 of this Order.

44. SPS's credit agreements and indentures shall not contain cross-default provisions by which a default by Xcel Energy or its other affiliates would cause a default at SPS.

45. The financial covenant in SPS's credit agreement shall not be related to any entity other than SPS. SPS shall not include in its debt or credit agreements any financial covenants or rating agency triggers related to any entity other than SPS.

46. SPS shall not pledge its assets in respect of or guaranty any debt or obligation of any of its affiliates. SPS shall not pledge, mortgage, hypothecate, or grant a lien upon the property of SPS except pursuant to an exception in effect in SPS's current credit agreement, such as the first mortgage and general mortgage.

47. SPS shall maintain its own stand-alone credit facility, and SPS shall not share its credit facility with any regulated or unregulated affiliate.

48. SPS shall maintain registrations with all three ratings agencies.

49. SPS shall maintain a stand-alone credit rating.

50. SPS's first mortgage bonds and general mortgage bonds shall be secured only with SPS's assets.

51. No SPS assets may be used to secure the debt of Xcel Energy or its non-SPS affiliates.

52. SPS shall not hold out its credit as being available to pay the debt of any affiliates.

53. Without prior approval of the Commission, neither Xcel Energy nor any affiliate of Xcel Energy [except SPS] may incur, guaranty, or pledge assets in respect of any incremental new debt that is dependent on: (1) the revenues of SPS in more than a proportionate degree than the other revenues of Xcel Energy; or (2) the stock of SPS.

54. SPS shall not transfer any material assets or facilities to any affiliates, other than a transfer that is on an arm's length basis consistent with the Commission's affiliate standards applicable to SPS.

55. Except for its participation in an affiliate money pool, SPS shall not commingle its assets with those of other Xcel Energy affiliates.

56. Except for its participation in an affiliate money pool, SPS shall not lend money to or borrow money from Xcel Energy affiliates.

57. SPS shall notify the Commission if its credit issuer rating or corporate rating as rated by any of the three major rating agencies falls below investment grade level.

58. SPS will not seek to recover any costs associated with the bankruptcy of Xcel Energy or any of SPS's other affiliates.

Tracker for Pension and Other Post-Employment Benefit Expense

59. As of July 1, 2019, the unamortized balance from Docket No. 47527 for pension and other post-employment benefit expense is $(276,798). The pension and other post-employment benefit expense that was deferred from July 1, 2017, through March 31, 2019 is $1,851,773. The net of those two amounts is $1,574,975 and is included in SPS's revenue requirement.

60. It is appropriate to amortize the net pension and other post-employment benefit expense of $1,574,975 over a one-year period beginning July 1, 2019.

61. Any remaining unamortized amounts are deemed reasonable and necessary and may be included in a future base rate-case filing.

62. The baseline for the pension and other post-employment expense tracker as of July 1, 2019, is set forth in Attachment D to the agreement.

Attachment Z2 Expense Amortization

63. SPS will suspend the collection of historical period Attachment Z2 (of the SPP Open Access Transmission Tariff) expense from customers. SPS will maintain the current regulatory asset with a balance of $4,402,191.55 as of September 12, 2019 (the effective date of rates in this case), adjusted for the resolution of the related, currently pending FERC cases. The regulatory asset will be addressed in SPS's next base rate case following the resolution of the Attachment Z2 litigation at FERC.

Rate-Case Expenses

64. The approved revenue requirement amount is inclusive of rate case expenses.

65. SPS will not seek rate case expenses associated with this case or with Docket Nos. 48973 (fuel reconciliation proceeding), 48847 and 49616 (fuel factor formula revision proceedings), 47857 and 48498 (power factor surcharge proceedings), or 48886 (surcharge proceeding related to SPS's last rate case) in any future case.

66. SPS agreed to reimburse AXM's rate-case expenses associated with this docket.

Renewable-Energy Credits

67. SPS obtains renewable-energy credits through purchased-power agreements.

68. The Commission establishes the value of Texas-generated bundled renewable-energy credits.

69. A value of $0.60 more accurately reflects the current value of Texas-generated bundled renewable-energy credits than the previous value set in Docket No. 47527 of $0.27. This value is based on the trend of market prices for Texas wind renewable-energy credits.

70. It is reasonable to change the price of bundled Texas-generated renewable-energy credits to $0.60 starting June 1, 2019.

Cash Working Capital for Earnings Monitoring Reports

71. SPS calculated its cash working capital using a lead-lag study.

72. For purposes of SPS's earnings monitoring reports for reporting years 2020 and 2021, SPS's total company cash working capital is $(24,167,537), and SPS's Texas retail amount is $(14,585,974).

Classes for SPS Energy Efficiency Cost Recovery Factor (EECRF) Filings

73. SPS agreed that, in all of its EECRF cases filed before the final order in its next base rate case becomes final and appealable under Texas Government Code § 2001.144, SPS will propose to use the same classes approved in Docket No. 45916.[4] Those classes are as

[4] *Application of Southwestern Public Service Company to Adjust Its Energy Efficiency Cost Recovery Factor*, Docket No. 45916, Order at Finding of Fact No. 23 (Sep. 23, 2016).

follows: residential service; small general service; secondary general service; primary general service; small municipal and school service; large municipal service; and large school service.

Municipal Proceedings

74. In SOAH Order No. 2 issued on September 6, 2019, SOAH Order No. 3 issued October 4, 2019, SOAH Order No. 4 issued October 23, 2019, SOAH Order No. 9 issues March 13, 2020, the SOAH ALJs consolidated for determination in this proceeding all of SPS's timely filed petitions for review of the rate ordinances of the municipalities exercising original jurisdiction within SPS's service territory.

Referral to SOAH

75. On August 8, 2019, the Commission referred this docket to SOAH.

76. In SOAH Order No. 2 issued on September 6, 2019, the SOAH ALJs, among other things, found SPS's notice and application sufficient and established the effective date to be September 12, 2019.

77. On September 12, 2019, the Commission issued a preliminary order.

78. On _______, 2020, the SOAH ALJs held a prehearing conference at which they admitted evidence in this docket.

79. On March 20, 2020, the ALJs held a telephonic prehearing conference to discuss hearing procedures consistent with social distancing practices in effect. In SOAH Order No. 12, issued on March 25, 2020, the ALJs granted a motion to abate the procedural schedule to delay the hearing start to April 6, 2020, so that the parties could engage in settlement discussions, and to extend the deadline for the Commission to issue a final order to September 14, 2020.

80. On March 27, 2020, the SOAH ALJs held a prehearing conference via Zoom video conferencing at which parties expressed interest in continuing settlement negotiations and SPS agreed to a one-week extension of the statutory deadline for the Commission to issue a final order, to September 14, 2020.

81. On April 3, 2020, the SOAH ALJs held a prehearing conference via Zoom video conferencing at which parties expressed interest in continuing settlement negotiations and to extend the procedural schedule. SOAH Order No. 14 issued on April 14, 2020 abated the procedural schedule by two weeks and delayed the hearing to April 27, 2020.

82. On April 16, 2020, SPS filed an unopposed motion reporting that the parties had reached a tentative agreement in principle on most issues and anticipated being able to reach agreement on remaining issues, and requesting that the ALJs extend the procedural schedule and delay the hearing to May 11, 2020.

83. In SOAH Order No. ___ issued on ___, the ALJs, among other things, memorialized the prehearing conference, admitted evidence, ordered the parties to file settlement materials or a status report.

84. In Order No. ___ issued on ______, the SOAH ALJs, among other things, dismissed this proceeding from the SOAH docket, remanded the case to the Commission, and admitted the following evidence in support of the agreement: (a) the settlement agreement and all attachments, filed on May 20, 2020; (b) the settlement testimony of SPS witnesses _____ , filed on ____; and (c) the settlement testimony of Commission Staff witness _____, filed on ____.

Informal Disposition

85. More than 15 days have passed since completion of the notice provided in this docket.

86. The decision is not adverse to any party in this proceeding.

87. The Commission finds that no hearing is necessary.

III. Conclusions of Law

1. SPS is a public utility as that term is defined in PURA § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(6).

2. The Commission exercises regulatory authority over SPS and over the subject matter of this application under PURA §§ 14.001, 32.001, 36.001 through 36.112, and 36.211.

3. The Commission has jurisdiction over appeals from municipalities' rate proceedings under PURA § 33.051.

4. SOAH exercised jurisdiction over this proceeding under PURA § 14.053 and Texas Government Code § 2003.049.

5. This docket was processed in accordance with the requirements of PURA, the Texas Administrative Procedure Act,[5] and Commission rules.

6. SPS provided adequate notice of its application in compliance with PURA § 36.103 and 16 TAC § 22.51.

7. The capital additions that SPS closed to plant in service during the period of July 1, 2017 through June 30, 2019 that are included in SPS's updated test-year rate base are used and useful and were prudently incurred.

8. The rates approved in this Order are just and reasonable under PURA § 36.003.

9. The rates approved in this Order are not unreasonably preferential, prejudicial, or discriminatory but are sufficient, equitable, and consistent in application to each class of consumer and are based on cost.

10. The rates approved in this Order meet the requirements of PURA § 36.003 and 16 TAC § 25.234.

11. The rates approved in this Order comply with PURA § 36.053 with regard to invested capital.

12. SPS's revenue requirement meets the requirements of PURA § 36.051.

13. The depreciation rates set forth in attachment C to the agreement are proper and adequate for each class of property under PURA § 36.056 and 16 TAC § 25.231(b)(1)(B).

14. The expense for pension and other post-employment benefits included in the rates approved in this Order are reasonable and necessary and comply with PURA § 36.065 and 16 TAC § 25.231(b)(1)(H).

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[5] Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902.

15. The affiliate costs and expenses included in the rates approved in this Order comply with PURA § 36.058.

16. The adjustments to SPS's test-year data are known and measurable under 16 TAC § 25.231(a) and (c)(2)(F).

17. The effective date of final rates in this rate case is September 12, 2019 and are effective for consumption on and after that date under PURA § 36.211.

18. SPS's tariffs in Attachment B of the agreement reflect the rates approved in this Order.

19. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

IV. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the rate treatments discussed in the agreement, to the extent provided in this Order.

2. SPS's rates, terms, and conditions described in this Order and included in Attachment B to the agreement are approved.

3. Within 20 days of the date of this Order, SPS must file a clean record copy of the approved tariffs to be stamped *Approved* by central records and retained by the Commission.

4. SPS's TCRF rate approved in Docket No. 46877 is set to zero as of September 12, 2019.

5. The depreciation rates for the Tolk generating units 1 and 2, Hale, and the other asset categories that are set forth in Attachment C of the agreement are approved.

6. Only for the purposes of allowance for funds used during construction, SPS must use a 9.45% return on equity in conjunction with a 54.62% equity and 45.38% debt capital structure.

7. SPS must amortize the net pension and other post-employment benefit expense of $1,574,975 over a one-year period beginning July 1, 2020. Any remaining unamortized amounts may be included in a future base rate-case filing.

8. SPS must suspend the collection of historical period Attachment Z2 (of the SPP Open Access Transmission Tariff) expense from customers and maintain the current regulatory asset with a balance of $4,402,191.55 as of September 12, 2019, adjusted for the resolution of the related, currently pending FERC cases. The regulatory asset shall be addressed in SPS's next base rate case following the resolution of the Attachment Z2 litigation at FERC.

9. SPS must comply with each provision of the agreement.

10. SPS must comply with the commitments it made regarding its future base rate cases and other rate cases.

11. SPS may not to file an application for a proceeding for a TCRF, a distribution cost recovery factor, generation cost recovery rider, or a purchased-power cost recovery factor until after the Commission issues a final order in SPS's next base rate case.

12. SPS may not seek rate-case expenses associated with this proceeding or with Docket Nos. 48973 (fuel reconciliation proceeding), 48847 and 49616 (fuel factor formula revision proceedings), 47857 and 48498 (power factor surcharge proceedings), or 48886 (surcharge proceeding related to SPS's last rate case).

13. The price of bundled Texas-generated renewable-energy credits is set at $0.60, effective June 1, 2020.

14. SPS must use a total company cash working capital of (24,167,537) in its earnings monitoring reports for reporting years beginning in 2020.

15. SPS's credit agreements and indentures shall not contain cross-default provisions by which a default by Xcel Energy or its other affiliates would cause a default at SPS.

16. The financial covenant in SPS's credit agreement may not be related to any entity other than SPS. SPS may not include in its debt or credit agreements any financial covenants or rating agency triggers related to any entity other than SPS.

17. SPS may not pledge its assets in respect of or guaranty any debt or obligation of any of its affiliates. SPS may not pledge, mortgage, hypothecate, or grant a lien upon the property of SPS except pursuant to an exception in effect in SPS's current credit agreement, such as the first mortgage and general mortgage.

18. SPS must maintain its own stand-alone credit facility, and SPS may not share its credit facility with any regulated or unregulated affiliate.

19. SPS must maintain registrations with all three ratings agencies.

20. SPS must maintain a stand-alone credit rating.

21. SPS's first mortgage bonds and general mortgage bonds must be secured only with SPS's assets.

22. No SPS assets may be used to secure the debt of Xcel Energy or its non-SPS affiliates.

23. SPS may not hold out its credit as being available to pay the debt of any affiliates.

24. Without prior approval of the Commission, neither Xcel Energy nor any affiliate of Xcel Energy [except SPS] may incur, guaranty, or pledge assets in respect of any incremental new debt that is dependent on: (1) the revenues of SPS in more than a proportionate degree than the other revenues of Xcel Energy; or (2) the stock of SPS.

25. SPS may not transfer any material assets or facilities to any affiliates, other than a transfer that is on an arm's length basis consistent with the Commission's affiliate standards applicable to SPS.

26. Except for its participation in an affiliate money pool, SPS may not commingle its assets with those of other Xcel Energy affiliates.

27. Except for its participation in an affiliate money pool, SPS may not lend money to or borrow money from Xcel Energy affiliates.

28. SPS must notify the Commission if its credit issuer rating or corporate rating as rated by any of the three major rating agencies falls below investment grade level.

29. SPS may not seek to recover any costs associated with the bankruptcy of Xcel Energy or any of SPS's other affiliates.

30. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.

31. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the ______ day of ____ 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

____

DEANN T. WALKER, CHAIRMAN

____

ARTHUR C. D'ANDREA, COMMISSIONER

____

SHELLY BOTKIN, COMMISSIONER