

SERVICE AGREEMENT

This Service Agreement is made and entered into this 9 day of September, 2016, by and between Southwestern Public Service Company ("Client Company") and Xcel Energy Services Inc. ("Service Company").

WITNESSETH

WHEREAS, Service Company is a subsidiary of Xcel Energy Inc. ("Xcel Energy"), a public utility holding company under the Public Utility Holding Company Act of 2005 ("PUCHA 2005") that has been formed to provide support services for Xcel Energy and its subsidiaries in a manner consistent with applicable regulatory requirements; and

WHEREAS, Client Company is a utility operating company subsidiary of Xcel Energy and an affiliate of Service Company; and

WHEREAS, Service Company and Client Company have entered into this Service Agreement whereby Service Company agrees to provide and Client Company agrees to accept and pay for various services as provided on a cost basis, the Service Company will fairly and equitably allocate costs among all associate companies to which it renders services, including the Client Company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE I - SERVICES

Section 1.1 Service Company shall furnish to Client Company, as requested by Client Company, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as Client Company may from time to time request and that Service Company concludes it is able to perform. Service Company shall also provide Client Company with such special services, in addition to those services described in Appendix A hereto, as may be requested by Client Company and that Service Company concludes it is able to perform. In supplying such services, Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services.

Section 1.2 Client Company shall take from Service Company such services described in Section 1.1, and such additional general or special services, whether or not now contemplated, as are requested from time to time by Client Company and that Service Company concludes it is able to perform.

Section 1.3 The services described herein or contemplated to be performed hereunder shall be directly assigned or allocated by activity, project, program, work order or other

appropriate basis. Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration that results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any expense incurred by Service Company as a direct result of such amendment, alteration or rescission of the activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release Client Company from liability for all costs already incurred by or contracted for by Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

Section 1.4 Service Company shall use its best efforts to maintain a staff trained and experienced in the design, construction, operation, maintenance, management, and general administration of public utility properties.

ARTICLE II - COMPENSATION

Section 2.1 As compensation for the services to be rendered hereunder, Client Company shall pay to Service Company all costs which reasonably can be identified and related to particular services performed by Service Company for or on its behalf. The methods for assigning or allocating Service Company costs to Client Company, as well as to other associate companies, are set forth in Appendix A.

Section 2.2 Service Company shall periodically review the methods of assignment or allocation of costs described in Appendix A. Such methods of assignment or allocation of costs may be modified or changed by Service Company subject to providing Client Company three months advance notice, and subject to any required state regulatory commission and Federal Energy Regulatory Commission ("FERC") approval. SPS shall comply with Texas Public Utility Regulatory Act and Public Utility Commission of Texas requirements, if any, regarding notice or approval, or both, of proposed modification to the methods of assignment or allocation of costs. SPS shall comply with New Mexico Public Utility Act and New Mexico Public Regulation Commission requirements, if any, regarding notice or approval, or both, of proposed modification to the methods of assignment or allocation of costs.

Section 2.3 No change in the organization of Service Company, the type and character of the companies to be serviced, the methods of assigning or allocating costs to associate companies, or in the scope or character of the services to be rendered shall be made unless such change is consistent with any applicable regulatory requirements.

Section 2.4 Service Company charges are billed electronically monthly to Client Company. The electronic details reflect the billing information necessary to identify the costs charged for that month. By the twenty-third (23rd) day of the following month, the Client Company shall remit to Service Company payment for all charges billed to it in the previous month.

Section 2.5 In the event of a dispute between the Operating Company and Service Company regarding a billing methodology and/or amount, representatives from the parties involved along with Service Company Accounting will meet to discuss the issues. If a resolution cannot be reached, the issue will be referred to each party's executive management for final resolution.

Section 2.6 It is the intent of this Service Agreement that the payment for services rendered by Service Company to Client Company under this Service Agreement shall cover all the costs of its doing business (less the costs of services provided to associated companies not a party to this Service Agreement and to other non-associated companies, and credits for any miscellaneous items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, contract labor, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

ARTICLE III - TERM

Section 3.1 This Service Agreement shall become effective upon its execution, or, if required, upon receipt of applicable regulatory approval, and shall continue in full force and effect until terminated by Service Company or Client Company, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with any regulatory requirement of the FERC or state commission applicable to either Service Company or Client Company adopted before or after the effective date of this Service Agreement.

ARTICLE IV - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 4.1 In performing the services hereunder, Service Company will exercise due care to assure that the services are performed in an appropriate manner, meet the standards and specifications set forth in any applicable request for service and comply with the applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims by or liabilities to Client Company other than to reperform the services and be reimbursed at cost for such reperformance. Service Company makes no other warranty with respect to its performance of the services, and Client Company agrees to accept such services without further warranty of any nature.

Section 4.2 To the fullest extent allowed by law, Client Company shall and does hereby indemnify and agree to save harmless and defend Service Company, its agents and employees from liabilities, taxes, losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses or judgments of any nature, on account of, or resulting from the performance and prosecution of any services performed on behalf of Client Company pursuant to this Agreement, whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful conduct by, Service Company or any of its employees, agents, clients, or contractors or its or their subcontractors or any combination thereof.

ARTICLE V - MISCELLANEOUS

Section 5.1 All accounts and records of Service Company shall be kept in accordance with either the General Rules and Regulations promulgated by the FERC pursuant to the PUHCA 2005, in particular, the Uniform System of Accounts for Subsidiary Service Companies or the Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act promulgated by the FERC, as each is in effect from and after the date hereof.

Section 5.2 New direct or indirect subsidiaries of Xcel Energy, which may come into existence after the effective date of this Service Agreement, may become additional client companies of Service Company and subject to a service agreement with Service Company, or an existing client company may wish to obtain additional services from Service Company. Likewise, an existing direct or indirect subsidiary of Xcel Energy may cease to be a client company or cease to take individual services from Service Company. In either event, the parties hereto shall make such changes in the scope and character of the services to be rendered and the method of assigning or allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.3, as may become necessary to achieve a fair and equitable assignment or allocation of Service Company costs among all associate companies.

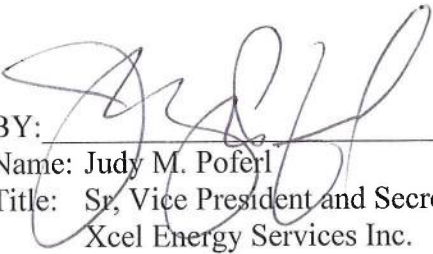
Section 5.3 In the event a Client Company changes the scope of services that it takes from Service Company (pursuant to Section 1.3) or terminates this Service Agreement (pursuant to Section 2.1), the Service Company may bill such Client Company a charge that reflects a proportionate share of any significant residual fixed costs (i.e., incurred costs or commitments to incur costs) that were incurred or committed to incur in contemplation of providing such Client Company service prior to the notice of termination. Examples of fixed costs include, but are not limited to, costs to upgrade computer hardware and software systems to meet Client Company's specifications.

Section 5.4 Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations.

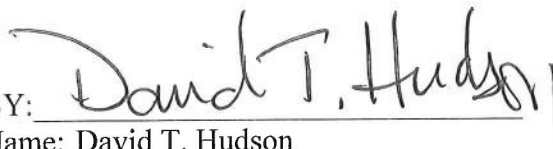
Section 5.5 This Service Agreement supercedes the Service Agreement dated May 28th, 2015.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed as of the date and year first above written.

XCEL ENERGY SERVICES INC.

BY: 
Name: Judy M. Pofert
Title: Sr. Vice President and Secretary
Xcel Energy Services Inc.

SOUTHWESTERN PUBLIC SERVICE COMPANY

BY: 
Name: David T. Hudson
Title: President

Appendix A

DESCRIPTION OF SERVICES TO BE PROVIDED BY XCEL ENERGY SERVICES INC. AND DETERMINATION OF CHARGES FOR SUCH SERVICES TO THE OPERATING COMPANIES AND OTHER AFFILIATES

Description of Services Provided

A description of the services provided by Xcel Energy Services is detailed below. Identifiable costs will be directly assigned to the Operating Companies and other affiliates. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

*a) Executive Management Services**

Description - Represents charges for Xcel Energy Inc. executive management and services, including, but not limited to, officers of Xcel Energy Inc.

Method of Allocation - Executive Management indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*b) Investor Relations**

Description - Provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting.

Method of Allocation - Investor Relations indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*c) Internal Audit**

Description - Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks.

Method of Allocation - Internal Audit indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*d) Legal**

Description - Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation - Legal indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*e) Claims Services**

Description - Provides claims services related to casualty, public and company claims.

Method of Allocation - Claims Services costs will be direct charged. Any costs that cannot be direct charged will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Asset Ratio.

*f) Corporate Communications**

Description - Provides corporate communications, speech writing and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy Inc. system. Manages and tracks all contributions made on behalf of the Xcel Energy Inc. system.

Method of Allocation - Corporate Communications indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*g) Employee Communications**

Description - Develops and distributes communications to employees.

Method of Allocation - Employee Communications indirect costs will be allocated based on the Employee Ratio.

*h) Corporate Strategy & Business Development**

Description - Facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance and evaluates business opportunities. Develops and facilitates process improvements.

Method of Allocation - Corporate Strategy & Business Development indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*i) Government Affairs **

Description - Monitors, reviews and researches government legislation.

Method of Allocation - Government Affairs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*j) Facilities & Real Estate**

Description - Operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment.

Method of Allocation - Facilities & Real Estate indirect costs will be allocated to the Operating Companies and Affiliate Companies based on the Employee Ratio.

*k) Facilities Administrative Services**

Description - Includes but is not limited to the functions of Mail Delivery, Duplicating and Records Management.

Method of Allocation - Facilities Administrative Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio

*l) Supply Chain**

Description - Includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts.

Method of Allocation - Supply Chain will be direct charged. Any management and oversight of the payment and reporting services that cannot be direct charged will be allocated using the Invoice Transaction Ratio

*m) Supply Chain Special Programs**

Description - Develops and implements special programs utilized across the company such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals.

Method of Allocation - Supply Chain Special Programs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*n) Human Resources**

Description - Establishes and administers policies related to employment, compensation and benefits. Maintains Human Resources computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general Human Resources support services.

Method of Allocation - Human Resources indirect costs will be allocated based on the Employee Ratio.

*o) Finance & Treasury**

Description - Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets. Performs financial and economic analysis.

Method of Allocation - Finance & Treasury indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*p) Accounting, Financial Reporting & Taxes**

Description - Maintains the books and records. Prepares financial and statistical reports, tax filings and ensures compliance with the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process.

Methods of Allocation – Accounting, Financial Reporting & Taxes indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs incurred for services associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak

Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*q) Payment & Reporting**

Description - Processes payments to vendors and prepares statistical reports.

Method of Allocation - Payment & Reporting indirect costs will be allocated to the Operating Companies and affiliates based on the Invoice Transaction Ratio.

*r) Receipts Processing**

Description - Processes payments received from customers of the Operating Companies and affiliates.

Method of Allocation - Receipts Processing indirect costs will be allocated based on the Customer Bills Ratio.

*s) Payroll**

Description - Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation - Payroll indirect costs will be allocated based on the Employee Ratio.

*t) Rates & Regulation**

Description - Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation - Rates & Regulation indirect costs will be allocated to the Operating Companies based on the Direct Labor Ratio.

*u) Energy Supply Engineering and Environmental**

Description - Provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects.

Methods of Allocation - Energy Supply Engineering and Environmental services will be direct charged, and administrative support functions that cannot be direct charged will be allocated using a Total Plant Ratio.

v) *Energy Supply Business Resources**

Description - Provides performance, specialists and analytical services to the Operating Companies' generation facilities.

Method of Allocation - Energy Supply Business Resources indirect costs will be allocated using the MWh Generation Ratio.

w) *Energy Markets Regulated Trading & Marketing**

Description - Provides electric trading services to the Operating Companies' electric generation systems including load management, system optimization and resource acquisition.

Methods of Allocation - Energy Markets Regulated Trading & Marketing indirect costs will be allocated to the Operating Companies based on the Total MWh Sales Ratio, except for:

(1) indirect costs incurred for services associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

x) *Energy Markets - Fuel Procurement**

Description - Purchases fuel for Operating Companies electric generation systems (excluding nuclear).

Method of Allocation - Energy Markets Fuel Procurement indirect costs will be allocated based on the MWh Generation Ratio.

y) *Energy Delivery Marketing**

Description - Develops new business opportunities and markets the products and services for the Delivery Business Unit.

Method of Allocation - Energy Delivery Marketing will be direct charged.

z) *Energy Delivery Construction, Operations & Maintenance (COM)**

Description - Constructs, maintains and operates electric and gas delivery systems.

Method of Allocation - Energy Delivery COM indirect costs will be allocated based on the Delivery Services Gross Plant Ratio.

*aa) Energy Delivery Engineering/Design**

Description - Provides engineering and design services in support of capacity planning, construction, operations and material standards.

Methods of Allocation - Energy Delivery Engineering/Design services will be direct charged; administrative support functions that cannot be direct charged will be allocated using a Delivery Services Gross Plant ratio based on the services being provided.

*bb) Marketing & Sales**

Description - Provides marketing and sales services for the Operating Companies and affiliates for their electric and natural gas customers including strategic planning, segment identification, business analysis, sales planning and customer service.

Method of Allocation - Marketing & Sales indirect costs will be allocated based on the Revenue Ratio.

*cc) Customer Service**

Description - Provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center and credit and collections.

Method of Allocation - Customer Service indirect costs will be allocated based on the Customers Ratio. Indirect costs associated with administering the low income and certified medical customer assistance programs will be allocated on the composite of the average of the Special Needs Customer Contacts Ratio and Residential Customers Ratio.

*dd) Business Systems**

Description - Provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration and systems management. In addition, Business Systems acts as a single point of contact for delivery of all information technology services to Xcel Energy Inc. They partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace.

Methods of Allocation - Business Systems indirect costs will be allocated using any of the allocation ratios or combination of ratios.

*ee) Aviation Services**

Description - Provides aviation and travel services to employees.

Method of Allocation - Aviation Services will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Assets Ratio.

*ff) Fleet**

Description - Oversees the Operating Companies' Fleet Services Group.

Method of Allocation - Fleet will be direct charged.

*Corporate Governance activities within this Service Function will be allocated using the average of the Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc., Employee Ratio with number of common officers assigned to Xcel Energy Inc., and the Total Assets Ratio including Xcel Energy Inc.'s per book assets.

Allocation Ratios

The following ratios will be utilized as outlined above.

Revenue Ratio - Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc.

- Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the amount of intercompany dividends. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes

Employee Ratio with number of common officers assigned to Xcel Energy Inc. -

Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the number of common officers. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio including Xcel Energy Inc's Per Book Assets - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the per book assets of Xcel Energy Inc. This ratio will be determined annually, or at such time as may be required due to significant changes.

Square Footage Ratio - Based on the total square footage as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Invoice Transaction Ratio - Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such time as may be required due to significant changes.

Customer Bills Ratio - Based on the average of the monthly total number of customer bills issued during the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

MWh Generation Ratio - Based on the sum of the monthly electric MWh generated by type of generator during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total MWh Sales Ratio - Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

Customers Ratio - Based on the average of the monthly total electric customers (and/or gas customers, or residential, business and large commercial and industrial customers where applicable) for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Delivery Services Gross Plant Ratio - Based on transmission and distribution gross plant for the Delivery Business unit, both electric and gas or as may be applicable Electric Distribution for the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Provided, however, as follows:

- (1) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the electric transmission gross plant;
- (2) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the electric distribution gross plant;
- (3) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the gas transmission gross plant;
- (4) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the gas distribution gross plant;
- (5) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the electric transmission gross plant and the electric distribution gross plant;
- (6) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant and the gas transmission gross plant;
- (7) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant and the gas distribution gross plant;
- (8) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the electric distribution gross plant and the gas transmission gross plant;
- (9) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the electric distribution gross plant and the gas distribution gross plant;
- (10) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the gas transmission gross plant and the gas distribution gross plant;
- (11) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas transmission gross plant;
- (12) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas distribution gross plant;
- (13) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the gas transmission gross plant, and the gas distribution gross plant;

(14) If the costs being allocated are directly related only to electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric distribution plant, the gas transmission gross plant, and the gas distribution gross plant.

Meters Ratio - Based on the number of meters at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Customer Contacts Ratio - Based on the total annual number of customer contacts at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

If the costs being allocated are directly related only to the support of special needs customers, such as those receiving low income energy assistance program and those having certified medical conditions, the Special Needs Customer Contacts Ratio shall be used.

Special Needs Customer Contacts Ratio - Based on the number of contacts received by the special needs customer department at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. The ratio will be determined annually, or at such a time as may be required due to significant changes.

Accounts Payable Transactions Ratio - Based on the total annual number of accounts payable transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Inventory Transactions Ratio - Based on the total annual number of inventory transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Work Management Transactions Ratio - Based on the total annual number of work management transactions by system application at the end of the prior year

ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Purchasing Transactions Ratio - Based on the total annual number of purchasing transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Plant Ratio - Based on total property, plant and equipment at the end of the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Provided, however, as follows:

- (1) If the costs being allocated are directly related only to electric production, the ratio shall be based on the total electric production plant;
- (2) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the total electric transmission plant;
- (3) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the total electric distribution plant;
- (4) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the total gas transmission plant;
- (5) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the total gas distribution plant;
- (6) If the costs being allocated are directly related only to intangible plant, the ratio shall be based on the total intangible plant;
- (7) If the costs being allocated are directly related only to electric production and electric transmission, the ratio shall be based on the sum of the total electric production plant and the total electric transmission plant;
- (8) If the costs being allocated are directly related only to electric production and electric distribution, the ratio shall be based on the sum of the total electric production plant and the total electric distribution plant;
- (9) If the costs being allocated are directly related only to electric production and gas transmission, the ratio shall be based on the sum of the total electric production plant and the total gas transmission plant;
- (10) If the costs being allocated are directly related only to electric production and gas distribution, the ratio shall be based on the sum of the total electric production plant and the total gas distribution plant;
- (11) If the costs being allocated are directly related only to electric production and intangible plant, the ratio shall be based on the sum of the total electric production plant and the total intangible plant;

- (12) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the total electric transmission plant and the total electric distribution plant;
- (13) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the total electric transmission plant and the total gas transmission plant;
- (14) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the total electric transmission plant and the total gas distribution plant;
- (15) If the costs being allocated are directly related only to electric transmission and intangible plant, the ratio shall be based on the sum of the total electric transmission plant and the total intangible plant;
- (16) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the total electric distribution plant and the total gas transmission plant;
- (17) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the total electric distribution plant and the total gas distribution plant;
- (18) If the costs being allocated are directly related only to electric distribution and intangible plant, the ratio shall be based on the sum of the total electric distribution plant and the total intangible plant;
- (19) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the total gas transmission plant and the total gas distribution plant;
- (20) If the costs being allocated are directly related only to gas transmission and intangible plant, the ratio shall be based on the sum of the total gas transmission plant and the total intangible plant;
- (21) If the costs being allocated are directly related only to gas distribution and intangible plant, the ratio shall be based on the sum of the total gas distribution plant and the total intangible plant;
- (22) If the costs being allocated are directly related only to electric production, electric transmission, and electric distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total electric distribution plant;
- (23) If the costs being allocated are directly related only to electric production, electric transmission, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas transmission plant;
- (24) If the costs being allocated are directly related only to electric production, electric transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas distribution plant;
- (25) If the costs being allocated are directly related only to electric production, electric transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total intangible plant;

- (26) If the costs being allocated are directly related only to electric production, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas transmission plant;
- (27) If the costs being allocated are directly related only to electric production, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas distribution plant;
- (28) If the costs being allocated are directly related only to electric production, electric distribution, and intangible, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total intangible plant;
- (29) If the costs being allocated are directly related only to electric production, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total gas distribution plant;
- (30) If the costs being allocated are directly related only to electric production, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total intangible plant;
- (31) If the costs being allocated are directly related only to electric production, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas distribution plant, and the total intangible plant;
- (32) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;
- (33) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;
- (34) If the costs being allocated are directly related only to electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total intangible plant;
- (35) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;
- (36) If the costs being allocated are directly related only to electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total intangible plant;
- (37) If the costs being allocated are directly related only to electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the

total electric transmission plant, the total gas distribution plant, and the total intangible plant;

(38) If the costs being allocated are directly related only to electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, and the total intangible plant;

(39) If the costs being allocated are directly related only to electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total intangible plant;

(40) If the costs being allocated are directly related only to electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;

(41) If the costs being allocated are directly related only to gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total gas transmission plant, the total gas distribution plant, and the total intangible plant;

(42) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;

(43) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;

(44) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total intangible plant;

(45) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;

(46) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total intangible plant;

(47) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;

- (48) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
- (49) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
- (50) If the costs being allocated are directly related only to electric production, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
- (51) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;
- (52) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
- (53) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
- (54) If the costs being allocated are directly related only to electric transmission, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
- (55) If the costs being allocated are directly related only to electric distribution, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
- (56) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, and the total intangible plant;
- (57) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;
- (58) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;

(59) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;

(60) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;

(61) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;

(62) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant.

Total Phones Ratio - Based on the number of phones at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Radios Ratio - Based on the number of radios at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Computers Ratio - Based on the number of computers at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Software Applications Users Ratio - Based on the number of users of a specific software application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Joint Operating Agreement Peak Hour Megawatt Load Ratio - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on peak hour of megawatt load for previous year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Joint Operating Agreement Labor Hours Ratio - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on labor hours at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Direct Labor Ratio – Based on fully-loaded direct-charged Rates and Regulation labor dollars to individual operating affiliates by the Rates and Regulation service function. The numerator of which is the fully-loaded direct-charges labor dollars to individual operating affiliates by Rates and Regulation service function and the denominator of which is the total fully-loaded direct charged labor dollars to all affiliates by the Rates and Regulation service function.