

**EXCEPTION AGREEMENT BETWEEN  
NORTHERN STATES POWER COMPANY  
AND  
CENTRAL ELECTRIC COOPERATIVE.**

This exception agreement entered into this 10 day of July 2018, (the "Exception Agreement") between Northern States Power Company, doing business as Xcel Energy, with offices located at 500 W. Russell Street, Sioux Falls, South Dakota ("Xcel Energy"), and Central Electric Cooperative with principal place of business at 25487 403<sup>rd</sup> Ave., Mitchell, South Dakota ("Central Electric") (collectively, the "Parties").

**RECITALS**

- A. Pursuant to SDCL 49-34A-42, et. Seq., both Parties have electric service territory established under South Dakota law.
- B. Xcel Energy received a request for new three phase electric service from David Clark at the legal address of 23355 430<sup>th</sup> Ave, Howard, SD 57349 located in Tract One of Clark's Addition in the SE ¼ of Section 12 T106N R57W.
- C. The Parties have come to a mutual agreement that will allow Xcel Energy to provide service by exception to one three phase electric service in Central Electric service territory.

NOW THEREFORE, in consideration of the promises exchanged herein, the Parties agree as follows:

- 1. Scope of Agreement. The scope of this Exception Agreement is limited to one three phase electric service to a shed at the location as specifically identified on Exhibit B.
- 2. Compensation. The Parties agree that no compensation is owed to Central Electric by Xcel Energy for the limited right to serve one three phase electric service by exception in Central Electric's service territory.
- 3. Future Service Rights. The Parties acknowledge that the limited right to serve by exception one three phase electric service in Central Electric's service territory as contemplated in this Exception Agreement does not convey permanent rights or rights to expand service beyond one three phase electric service.
- 4. Compensation for Facilities. If said three phase electric service needs to be upgraded in the future, Xcel Energy reserves the right to serve upgraded service to the original foot print of the new shed described in Exhibit B. If Xcel Energy elects to serve upgraded service, Central Electric will not be paid for any portion of the upgraded service by Xcel Energy.
- 5. Lost Revenue. The Parties acknowledge that no compensation was paid by Xcel Energy to Central Electric for the limited right to serve by exception, and agree that no

compensation will be owed by Xcel Energy to Central Electric in the future for lost revenue related to the three phase electric service in Central Electric's service territory.

6. Reservation of Rights. Except as specifically set forth herein, this Exception Agreement does not modify or limit the legal rights of any party.
7. No Precedent. The Parties recognize that this Exception Agreement is the result of negotiations between the Parties and that this Exception Agreement and the South Dakota Public Utilities Commission's ("Commission") approval of this Exception Agreement does not represent any binding or legal precedent on any party in any other matter.
8. Request for Commission Approval of the Agreement. Coinciding with execution of this Exception Agreement by the Parties, Xcel Energy has prepared and filed a Joint Petition to the Commission by the Parties to approve this Exception Agreement.
9. Miscellaneous.
  - (a) Entire Exception Agreement and Modification. This Exception Agreement contains the entire exception agreement and understandings of the Parties hereto regarding the scope of the Exception Agreement and appropriate compensation for the three phase electric service in Central Electric's service territory. All previous communications, or agreements, between the Parties hereto, either verbal or written, with reference to the subject matter of this Exception Agreement are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Exception Agreement shall be effective unless the same shall be in writing and signed by a duly appointed representative of all Parties and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
  - (b) Assignment. None of the Parties shall assign, or sublet, this Exception Agreement, voluntarily, involuntarily or by operation of law, without the prior written consent of the other.
  - (c) Severability. If any provision of this Exception Agreement shall be found invalid or unenforceable, in whole or in part, by a court of competent jurisdiction or the Commission, then such provision shall be deemed to be modified or restricted to the extent and in a manner necessary to render the same valid and enforceable, or if that is not possible, such provision shall be stricken and deleted from this Exception Agreement, as the case may require, and this Exception Agreement shall then be construed and enforced to the maximum extent permitted by law and with the purpose to achieve the fundamental intent of the Parties.
  - (d) Choice of Laws. This Exception Agreement shall be construed and interpreted in accordance with the laws of the State of South Dakota and excluding any choice of law or rules that may direct the application of laws of another jurisdiction.

- (c) Agreement Drafted Jointly. The Parties agree that none of the Parties shall be deemed solely responsible for drafting all or any portion of this Exception Agreement, and in the event of a dispute, responsibilities for any ambiguities arising from any provision of this Exception Agreement shall be shared equally among the Parties.
- (f) Regulation. The Parties acknowledge that this Exception Agreement is subject to the jurisdiction of the Commission.
- (g) Effective Date. The effective date of this Exception Agreement is the date upon which the Exception Agreement has been approved by the Commission.
- (h) Notice. Any notice permitted or required by this Exception Agreement shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) and shall be effective upon the date of personal service, or if by mail, upon the date of receipt.

IN WITNESS WHEREOF, the Parties hereto have executed this Exception Agreement as of the day and year first above written and the Parties agree to take such additional steps and actions including execution of such instruments and other documents as are reasonably necessary to effectuate the intentions expressed hereby.

Northern States Power Company, A Minnesota corporation
By: _____ Date: _____
Greg Chamberlain Regional Vice President, NSP-MN

Central Electric Cooperative
By: <u>Ken Schlinggen</u> Date: <u>6/14/2018</u>
Ken Schlinggen General Manager

Northern States Power Company, A Minnesota corporation
By: <u>[Signature]</u> Date: <u>7/9/18</u>
Stephen Foss Regional Vice President, NSP-MN

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Northern States Power Company, A Minnesota corporation
By: <u>[Signature]</u> Date: <u>7/10/13</u>
Greg Chamberlain Regional Vice President, NSP-MN

Central Electric Cooperative
By: <u>[Signature]</u> Date: <u>6/14/2013</u>
Ken Schlimgen General Manager

Northern States Power Company, A Minnesota corporation
By: _____ Date: _____
Stephen Foss Regional Vice President, NSP-MN