

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Total Project vs. South Dakota Pollution Control Components

Pollution Control Measure Descriptions	Total Capital Expenditures	Pollution Control %	Total Included in ECR
<u>Measure 1 - AQCS System</u>			
AQCS System	\$34,622,650	100%	\$34,622,650
AQCS Mechanical Construction	\$46,335,247	99%	\$46,224,323
Measure 1 - AQCS System Total	\$80,957,898		\$80,846,974
<u>Measure 2 - SCR System</u>			
SCR System	\$21,752,331	100%	\$21,752,331
SCR System (Property Unitization Reconciliation)	-\$1,938	100%	-\$1,938
SCR System (Ductwork Sleeves)	\$740,415	100%	\$740,415
Ammonia System	\$2,080,187	100%	\$2,080,187
Structural Steel	\$2,849,660	50%	\$1,424,830
Ductwork & Expansion Joints	\$2,398,004	67%	\$1,606,663
SCR Mechanical Construction	\$33,288,061	82%	\$27,244,075
Measure 2 SCR System Total	\$63,106,720		\$54,846,562
<u>Measure 3 - BOP Equipment</u>			
Bulk Material Handling System	\$4,395,217	100%	\$4,395,217
Bulk Material Handling System (Property Unitizati	-\$1,169	100%	-\$1,169
Insulation & Lagging	\$19,307,181	59%	\$11,387,590
Fire Protection	\$3,084,257	25%	\$770,505
BOP Equipment	\$9,068,853	13%	\$1,214,171
BOP Mechanical Construction	\$17,252,065	39%	\$6,653,350
Measure 3 - BOP Equipment Total	\$53,106,404		\$24,419,665
<u>Measure 4 - Substructures Construction</u>			
Substructures Construction	\$26,125,996	79%	\$20,728,991
Measure 4 - Substructures Construction Total	\$26,125,996		\$20,728,991
<u>Measure 5 - Electrical</u>			
Electrical Equipment Upgrades	\$4,277,247	97%	\$4,152,238
DCS & PLC's	\$5,584,524	32%	\$1,795,016
AQC/SCR Electrical Installation	\$9,945,870	100%	\$9,945,870
DCS / BOP Electrical Installation	\$12,087,580	44%	\$5,291,013
DCS / BOP Electrical Install (Property Unitization	-\$708	44%	-\$312
Measure 5 - Electrical Total	\$31,894,512		\$21,183,826
<u>Measure 6 - Cooling Tower Modifications</u>			
Cooling Tower Modifications	\$8,310,265	100%	\$8,310,265
Cooling Tower Modifications (Property Unitization	-\$114,893	100%	-\$114,893
Cooling Tower System Upgrades	\$2,754,009	100%	\$2,754,009
Measure 6 - Cooling Tower Modifications	\$10,949,381		\$10,949,381
<u>Measure 7 - Pre-Engineered Buildings</u>			
Pre-Engineered Buildings	\$5,208,259	67%	\$3,470,885
Measure 7 - Pre-Engineered Buildings Total	\$5,208,259		\$3,470,885
Total Pollution Control Capital Equipment	\$271,349,170	79.77%	\$216,446,285

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Total Project vs. South Dakota Pollution Control Components (continued)

Project Description	Total Capital Expenditures	Pollution Control %	Total Included in ECR
Boiler			
Boiler	\$40,649,078	0%	\$0
Boiler Construction (less Precipitator Stiffening)	\$57,831,806	0%	\$0
Boiler (Property Unitization Reconciliation)	-\$152,994	0%	\$0
ID Fans	\$5,318,296	0%	\$0
Site Development	\$4,700,322	0%	\$0
BOP Modifications / Other	\$3,969,789	0%	\$0
	\$112,316,296		
Electrical			
345 kV Transmission Upgrade	\$3,124,690	0%	\$0
Misc. Electrical	\$976,293	0%	\$0
	\$4,100,983		
Generator			
Exciter Construction	\$558,477	0%	\$0
Exciter Replacement (Property Unitization Rec)	-\$109,156	0%	\$0
Exciter Replacement	\$1,772,608	0%	\$0
	\$2,221,929		
Turbine			
Canal Modifications	\$1,043,758	0%	\$0
Steam Turbine	\$33,962,012	0%	\$0
Steam Turbine Construction	\$11,006,462	0%	\$0
Steam Turbine Construction (Property Unitization)	-\$17,031	0%	\$0
Boiler Total	\$45,995,202		\$0
Totals (less AFUDC/Retention/Demo)	\$435,983,580	49.65%	\$216,446,285
	Total Capital Expenditures	Pollution Control %	Total Included in ECR

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Revenue Requirement Calculations by Month 2008-2011

King Mercury	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Rate Base													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Book Depreciation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Accum Deferred Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
End Of Month Rate Base	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Rate Base (BOM/EOM)	0	0	0	0	0	0	0	0	0	0	0	0	0
Calculation of Return													
Plus Debt Return	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Equity Return	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Return	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Statement Items													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue Requirements	0	0	0	0	0	0	0	0	0	0	0	0	0
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0
ECR Total													
Rate Base													
Plus CWIP Ending Balance	265,317	265,317	265,317	269,245	271,361	272,486	279,727	279,319	555,779	(15,245)	88,954	93,521	93,521
Plus Plant In-Service	220,549,734	220,526,310	220,738,984	220,993,235	220,996,824	220,987,828	221,047,220	221,046,628	221,523,579	220,350,342	220,349,612	220,352,436	220,352,436
Less Book Depreciation Reserve	3,946,554	4,572,730	5,199,180	5,826,163	6,453,521	7,080,672	7,708,297	8,335,808	8,964,021	9,591,204	10,216,648	10,842,094	10,842,094
Less Accum Deferred Taxes	(4,902,318)	(4,576,656)	(4,251,252)	(3,925,370)	(3,589,293)	(3,273,220)	(2,947,106)	(2,620,952)	(2,294,454)	(1,968,509)	(1,643,512)	(1,318,559)	(1,318,559)
End Of Month Rate Base	221,770,816	220,895,754	220,056,373	219,361,687	218,413,987	217,452,862	216,565,759	215,611,092	215,409,791	212,712,402	211,865,430	210,922,422	210,922,422
Average Rate Base (BOM/EOM)	221,989,102	221,333,285	220,476,064	219,709,030	218,887,822	217,933,309	217,009,210	216,089,426	215,510,442	214,061,097	212,268,916	211,393,926	217,223,366
Calculation of Return													
Plus Debt Return	608,770	604,978	602,635	600,538	598,293	595,684	593,159	590,642	589,062	585,100	580,256	577,910	7,124,927
Plus Equity Return	867,956	885,333	881,904	878,836	875,551	871,733	868,037	864,354	862,042	856,244	849,156	845,576	10,426,723
Total Return	1,494,727	1,490,311	1,484,539	1,479,374	1,473,845	1,467,418	1,461,195	1,454,995	1,451,104	1,441,345	1,429,412	1,423,386	17,551,650
Income Statement Items													
Plus Operating Expense	84,498	554,980	449,164	213,769	629,535	368,266	328,621	490,636	369,358	437,663	443,716	738,276	5,106,462
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	624,458	626,176	626,460	626,993	627,359	627,351	627,425	627,511	628,213	627,184	625,443	625,447	7,519,999
Plus Deferred Taxes	324,570	325,462	325,605	325,882	326,077	326,073	326,111	326,156	326,498	325,945	324,997	324,953	3,908,329
Plus Gross Up for Income Tax	207,913	206,010	204,234	202,542	200,800	198,937	197,104	195,272	193,946	191,529	188,802	187,174	2,374,264
Less AFUDC	0	0	0	0	0	0	0	0	172	300	616	890	2,079
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	93	162	332	533	1,119
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,241,439	1,712,607	1,605,453	1,369,178	1,783,771	1,520,627	1,479,261	1,639,576	1,517,750	1,581,859	1,582,010	1,672,326	18,905,855
Total Revenue Requirements	2,736,166	3,202,918	3,089,991	2,848,550	3,257,616	2,988,044	2,940,456	3,094,571	2,968,854	3,023,204	3,011,422	3,295,712	36,457,504
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	127,443	134,121	128,675	131,034	130,524	142,847	794,645

Northern States Power Company, a Minnesota
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South Dakota Environmental Cost Recovery
Revenue Requirement Calculations by Month 2008-2011

King Mercury	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09 Annual
Rate Base												
Plus CWIP Ending Balance	0	0	776	3,046	8,000	10,546	14,407	137,482	152,199	170,371	180,143	556,665
Plus Plant In-Service	0	0	0	0	0	0	0	0	0	0	0	0
Less Book Depreciation Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Less Accum Deferred Taxes	0	0	0	0	0	0	0	(74)	(169)	(257)	(338)	(497)
End Of Month Rate Base	0	0	776	3,046	8,000	10,546	14,407	137,566	152,368	170,629	180,482	557,163
Average Rate Base (BOM/EOM)	0	0	388	1,911	5,523	9,273	12,477	75,981	144,952	161,498	175,555	368,822
Calculation of Return												
Plus Debt Return	0	0	1	5	15	25	33	202	385	429	487	980
Plus Equity Return	0	0	2	8	23	38	51	310	591	658	715	1,503
Total Return	0	0	3	13	37	62	84	512	976	1,087	1,182	2,483
Income Statement Items												
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	0	0	0	0	0	0	0	(74)	(95)	(88)	(81)	(159)
Plus Gross Up for Income Tax	0	0	1	4	11	18	25	320	577	629	671	1,404
Less AFUDC	0	0	0	0	0	0	0	482	923	1,026	1,137	2,369
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	259	497	553	612	1,275
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	0	0	1	4	11	18	25	(495)	(939)	(1,036)	(1,160)	(2,398)
Total Revenue Requirements	0	0	3	17	48	81	109	16	37	49	22	85
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0
ECR Total												
Rate Base												
Plus CWIP Ending Balance	98,940	442,822	466,446	533,130	659,441	836,133	965,951	1,248,683	1,372,290	1,514,663	1,787,052	566,586
Plus Plant In-Service	220,353,802	220,354,220	220,361,369	220,361,474	220,339,749	220,231,502	220,230,917	220,231,115	220,231,115	220,231,115	220,266,135	221,983,408
Less Book Depreciation Reserve	11,467,547	12,093,003	12,718,470	13,343,947	13,969,393	14,594,641	15,219,724	15,844,807	16,489,890	17,094,973	17,720,110	18,351,005
Less Accum Deferred Taxes	(1,034,319)	(750,196)	(466,308)	(182,481)	101,266	384,778	687,972	951,093	1,234,450	1,517,856	1,801,324	2,442,706
End Of Month Rate Base	210,019,513	209,454,237	208,575,654	207,733,137	206,928,531	206,088,216	205,309,172	204,683,897	203,899,055	203,132,949	202,531,753	201,756,283
Average Rate Base (BOM/EOM)	210,470,968	209,736,875	209,014,945	208,154,396	207,330,834	206,508,374	205,696,694	204,986,535	204,291,481	203,516,007	202,832,351	202,144,018
Calculation of Return												
Plus Debt Return	559,502	557,551	555,631	553,344	551,154	548,968	546,816	544,949	543,075	541,013	539,196	537,366
Plus Equity Return	857,669	854,678	851,736	848,229	844,873	841,522	838,222	835,361	832,488	829,328	826,542	823,737
Total Return	1,417,171	1,412,228	1,407,367	1,401,573	1,396,028	1,390,490	1,385,038	1,380,310	1,375,563	1,370,341	1,365,738	1,361,103
Income Statement Items												
Plus Operating Expense	611,586	267,656	320,203	313,913	0	412,129	445,051	504,570	416,066	332,594	274,624	397,984
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	625,453	625,455	625,467	625,478	625,445	625,248	625,083	625,083	625,083	625,083	625,137	630,895
Plus Deferred Taxes	284,240	284,121	283,890	283,827	283,747	283,512	283,194	283,121	283,357	283,406	283,468	641,382
Plus Gross Up for Income Tax	222,188	221,111	220,148	219,566	217,081	215,803	214,544	213,594	212,311	210,963	209,798	(70,943)
Less AFUDC	953	2,262	3,470	3,984	4,255	5,002	5,213	6,986	8,304	9,352	10,671	7,732
Less AFUDC Gross Up for Income Tax	513	1,218	1,868	2,091	2,291	2,694	2,807	3,762	4,471	5,035	5,746	4,163
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,742,001	1,394,863	1,444,369	1,435,810	1,119,728	1,528,996	1,559,852	1,615,621	1,524,062	1,437,659	1,376,609	1,587,402
Total Revenue Requirements	3,159,172	2,807,091	2,851,737	2,837,382	2,515,756	2,919,486	2,944,890	2,995,931	2,899,624	2,808,000	2,742,347	2,948,505
SD Jurisdictional Revenue Requirement	141,058	125,347	127,341	128,708	112,342	130,366	131,452	133,755	129,450	125,368	122,435	127,587

**Northern States Power Company, a Minnesota
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South Dakota Environmental Cost Recovery
Revenue Requirement Calculations by Month 2008-2011**

King Prod.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
Rate Base													
Plus CWIP Ending Balance													
Plus Plant In-Service													
Less Book Depreciation Reserve													
Less Accum Deferred Taxes													
End Of Month Rate Base													
Average Rate Base (BOM/EOM)													
Calculation of Return													
Plus Debt Return													
Plus Equity Return													
Total Return													
Income Statement Items													
Plus Operating Expense													
Plus Accrued Costs / Benefits													
Plus Avoided Property Taxes													
Plus Property Taxes													
Plus Book Depreciation													
Plus Deferred Taxes													
Plus Gross Up for Income Tax													
Less AFUDC													
Less AFUDC Gross Up for Income Tax													
Less OATT Credit to retail customers													
Less Wind Production Tax Credit													
Less Wind PTC Gross up for Income Tax (Fed only)													
Total Income Statement Expense													
Total Revenue Requirements													
SD Jurisdictional Revenue Requirement													
Sherco 3 Mercury	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
Rate Base													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039	1,796,039
Less Book Depreciation Reserve	93,264	100,032	106,800	113,568	120,337	127,105	133,873	140,641	147,409	154,177	160,945	167,713	167,713
Less Accum Deferred Taxes	358,814	358,130	357,447	356,764	356,080	355,397	354,714	354,030	353,347	352,663	351,980	351,297	351,297
End Of Month Rate Base	1,343,961	1,337,876	1,331,792	1,325,707	1,319,622	1,313,537	1,307,453	1,301,368	1,295,283	1,289,199	1,283,114	1,277,029	1,277,029
Average Rate Base (BOM/EOM)	1,347,003	1,340,919	1,334,834	1,328,749	1,322,665	1,316,580	1,310,495	1,304,410	1,298,326	1,292,241	1,286,156	1,280,072	1,313,537
Calculation of Return													
Plus Debt Return	3,469	3,453	3,437	3,422	3,406	3,390	3,375	3,359	3,343	3,328	3,312	3,296	40,588
Plus Equity Return	5,343	5,319	5,295	5,271	5,247	5,222	5,198	5,174	5,150	5,126	5,102	5,078	62,524
Total Return	8,812	8,772	8,732	8,692	8,652	8,613	8,573	8,533	8,493	8,453	8,414	8,374	103,113
Income Statement Items													
Plus Operating Expense	236,000	236,000	236,000	236,000	236,000	236,000	236,000	236,000	165,200	0	177,000	236,000	2,466,200
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	81,217
Plus Deferred Taxes	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(683)	(8,201)
Plus Gross Up for Income Tax	3,004	2,993	2,982	2,971	2,959	2,948	2,937	2,926	2,915	2,903	2,892	2,881	35,311
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	245,089	245,078	245,066	245,055	245,044	245,033	245,022	245,011	174,199	8,988	185,977	244,966	2,574,528
Total Revenue Requirements	253,901	253,850	253,799	253,748	253,697	253,646	253,595	253,544	182,893	17,442	194,391	253,340	2,877,640
SD Jurisdictional Revenue Requirement	11,879	11,876	11,874	11,872	11,869	11,867	11,864	11,862	8,547	816	9,095	11,852	125,273

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Revenue Requirement Calculations by Month 2008-2011

King Mercury	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
Rate Base													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	3,239,836	3,271,901	3,276,901	3,312,901	3,315,901	3,315,901	3,315,901	3,315,901	3,315,901	3,315,901	3,315,901	3,315,901	3,315,901
Less Book Depreciation Reserve	16,182	26,967	37,813	48,728	58,709	70,695	81,681	92,667	103,653	114,638	125,624	136,610	136,610
Less Accum Deferred Taxes	648,909	648,673	648,436	648,197	647,956	647,716	647,475	647,235	646,994	646,754	646,513	646,273	646,273
End Of Month Rate Base	2,574,745	2,586,261	2,590,652	2,615,976	2,608,236	2,597,490	2,586,745	2,576,000	2,565,255	2,554,509	2,543,764	2,533,019	2,533,019
Average Rate Base (BOM/EOM)	2,584,039	2,585,503	2,583,457	2,603,314	2,612,106	2,602,863	2,592,118	2,581,372	2,570,627	2,559,882	2,549,137	2,538,391	2,581,901
Calculation of Return													
Plus Debt Return	6,680	6,658	6,678	6,704	6,726	6,702	6,675	6,647	6,619	6,592	6,564	6,536	79,781
Plus Equity Return	10,290	10,256	10,287	10,326	10,361	10,325	10,282	10,239	10,197	10,154	10,112	10,069	122,898
Total Return	16,969	16,914	16,966	17,030	17,088	17,027	16,957	16,886	16,816	16,746	16,676	16,605	202,679
Income Statement Items													
Plus Operating Expense	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	3,744,000
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	10,778	10,785	10,847	10,915	10,981	10,986	10,986	10,986	10,986	10,986	10,986	10,986	131,206
Plus Deferred Taxes	(236)	(236)	(237)	(239)	(240)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(2,873)
Plus Gross Up for Income Tax	5,052	5,037	5,053	5,073	5,091	5,074	5,054	5,034	5,015	4,995	4,975	4,955	60,408
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	327,594	327,585	327,862	327,749	327,831	327,819	327,799	327,780	327,760	327,740	327,720	327,701	3,982,742
Total Revenue Requirements	344,564	344,499	344,628	344,779	344,919	344,846	344,756	344,666	344,576	344,486	344,396	344,306	4,135,421
SD Jurisdictional Revenue Requirement	16,120	16,117	16,123	16,130	16,137	16,134	16,129	16,125	16,121	16,117	16,113	16,108	193,476
ECR Total													
Rate Base													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	5,035,875	5,067,940	5,072,940	5,108,940	5,111,940	5,111,940	5,111,940	5,111,940	5,111,940	5,111,940	5,111,940	5,111,940	5,111,940
Less Book Depreciation Reserve	109,446	126,999	144,814	162,297	180,046	197,800	215,554	233,307	251,061	268,815	286,569	304,323	304,323
Less Accum Deferred Taxes	1,007,723	1,008,804	1,005,883	1,004,960	1,004,037	1,003,113	1,002,189	1,001,265	1,000,341	999,417	998,493	997,569	997,569
End Of Month Rate Base	3,918,706	3,934,138	3,922,444	3,941,683	3,927,858	3,911,028	3,894,198	3,877,368	3,860,538	3,843,708	3,826,878	3,810,048	3,810,048
Average Rate Base (BOM/EOM)	3,941,042	3,926,422	3,928,291	3,932,063	3,934,770	3,919,443	3,902,613	3,885,763	3,868,953	3,852,123	3,835,293	3,818,463	3,895,438
Calculation of Return													
Plus Debt Return	10,148	10,111	10,115	10,125	10,132	10,093	10,049	10,008	9,963	9,919	9,876	9,833	120,369
Plus Equity Return	15,633	15,575	15,582	15,597	15,608	15,547	15,480	15,414	15,347	15,280	15,213	15,147	185,423
Total Return	25,781	25,685	25,698	25,722	25,740	25,640	25,530	25,419	25,309	25,199	25,089	24,979	305,792
Income Statement Items													
Plus Operating Expense	548,000	548,000	548,000	548,000	548,000	548,000	548,000	548,000	477,200	312,000	489,000	548,000	6,210,200
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	17,546	17,553	17,615	17,683	17,749	17,754	17,754	17,754	17,754	17,754	17,754	17,754	212,423
Plus Deferred Taxes	(919)	(920)	(921)	(922)	(924)	(924)	(924)	(924)	(924)	(924)	(924)	(924)	(11,073)
Plus Gross Up for Income Tax	8,057	8,030	8,035	8,044	8,050	8,022	7,991	7,960	7,929	7,898	7,867	7,836	95,719
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	572,683	572,683	572,729	572,804	572,875	572,852	572,821	572,790	501,959	338,728	513,697	572,686	6,507,269
Total Revenue Requirements	598,464	598,348	598,426	598,527	598,615	598,492	598,351	598,210	527,269	361,928	538,786	597,645	6,813,061
SD Jurisdictional Revenue Requirement	27,999	27,994	27,997	28,002	28,006	28,000	27,994	27,987	24,688	16,933	25,207	27,961	318,749

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Revenue Requirement Summary by Year 2008-2011

King Prod	2008	2009	2010 (1)	2011
Rate Base				
Plus CWIP Ending Balance	(52,509)	5,853	5,853	
Plus Plant In-Service	220,352,436	220,266,135	220,266,135	
Less Book Depreciation Reserve	10,842,094	18,345,300	18,970,491	
Less Accum Deferred Taxes	(1,318,280)	2,093,259	2,337,240	
End Of Month Rate Base	210,776,112	199,833,429	198,964,257	
Average Rate Base (BOM/EOM)	217,194,410	205,293,915	33,196,925	

Calculation of Return				
Plus Debt Return	7,123,977	6,548,876	513,452	
Plus Equity Return	10,425,332	10,038,872	835,813	
Total Return	17,549,308	16,587,748	1,349,266	

Income Statement Items				
Plus Operating Expense	5,106,462	4,296,376	215,847	
Plus Accrued Costs / Benefits	0	0	0	
Plus Avoided Property Taxes	0	0	0	
Plus Property Taxes	0	0	0	
Plus Book Depreciation	7,519,999	7,503,206	625,191	
Plus Deferred Taxes	3,908,609	3,411,539	243,981	
Plus Gross Up for Income Tax	2,372,883	2,539,061	227,475	
Less AFUDC	0	0	0	
Less AFUDC Gross Up for Income Tax	0	0	0	
Less OATT Credit to retail customers	0	0	0	
Less Wind Production Tax Credit	0	0	0	
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	
Total Income Statement Expense	18,907,952	17,750,182	1,312,493	

Total Revenue Requirements	36,457,260	34,337,930	2,661,759	
SD Jurisdictional Revenue Requirement	794,645	1,533,218	124,589	

Note (1) - Revenue requirements shown for the month of January 2010. The SD Jurisdictional portion multiplied by 17/31 is the total 2010 Tracker balance. In the 2010 Tracker the total is reflected as a total month, with a partial month credit.

Sherco 3 Mercury	2008	2009	2010	2011
Rate Base				
Plus CWIP Ending Balance	146,030	4,067	0	0
Plus Plant In-Service	(0)	1,717,273	1,796,039	1,796,039
Less Book Depreciation Reserve	0	5,704	86,496	167,713
Less Accum Deferred Taxes	(280)	349,944	359,497	351,297
End Of Month Rate Base	146,310	1,365,692	1,350,046	1,277,029
Average Rate Base (BOM/EOM)	28,975	851,009	1,388,120	1,313,537

Calculation of Return				
Plus Debt Return	950	27,147	42,893	40,588
Plus Equity Return	1,391	41,614	69,822	62,524
Total Return	2,341	68,762	112,715	103,113

Income Statement Items				
Plus Operating Expense	0	0	1,861,893	2,466,200
Plus Accrued Costs / Benefits	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0
Plus Property Taxes	0	0	0	0
Plus Book Depreciation	0	5,704	80,792	81,217
Plus Deferred Taxes	(280)	350,223	9,553	(8,201)
Plus Gross Up for Income Tax	1,381	(237,558)	26,798	35,311
Less AFUDC	2,079	62,146	135	0
Less AFUDC Gross Up for Income Tax	1,119	33,463	73	0
Less OATT Credit to retail customers	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0
Total Income Statement Expense	(2,097)	22,761	1,978,829	2,574,528
Total Revenue Requirements	244	91,523	2,091,545	2,677,640
SD Jurisdictional Revenue Requirement	0	0	0	125,273

King Mercury	2008	2009	2010	2011
Rate Base				
Plus CWIP Ending Balance	0	556,665	0	0
Plus Plant In-Service	0	0	3,267,882	3,315,901
Less Book Depreciation Reserve	0	0	5,404	136,610
Less Accum Deferred Taxes	0	(497)	649,145	646,273
End Of Month Rate Base	0	557,163	2,613,333	2,533,019
Average Rate Base (BOM/EOM)	0	79,699	1,640,754	2,581,901
Calculation of Return				
Plus Debt Return	0	2,542	50,699	79,781
Plus Equity Return	0	3,897	82,530	122,898
Total Return	0	6,440	133,229	202,679
Income Statement Items				
Plus Operating Expense	0	0	787,500	3,744,000
Plus Accrued Costs / Benefits	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0
Plus Property Taxes	0	0	0	0
Plus Book Depreciation	0	0	5,404	131,206
Plus Deferred Taxes	0	(497)	649,643	(2,873)
Plus Gross Up for Income Tax	0	3,659	(437,428)	60,408
Less AFUDC	0	5,937	126,032	0
Less AFUDC Gross Up for Income Tax	0	3,197	67,863	0
Less OATT Credit to retail customers	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0
Total Income Statement Expense	0	(5,972)	811,223	3,932,742
Total Revenue Requirements	0	468	944,452	4,135,421
SD Jurisdictional Revenue Requirement	0	0	0	193,476
ECR Total				
Rate Base				
Plus CWIP Ending Balance	93,521	566,586	5,853	0
Plus Plant In-Service	220,352,436	221,983,408	225,330,057	5,111,940
Less Book Depreciation Reserve	10,842,094	18,351,005	19,062,391	304,323
Less Accum Deferred Taxes	(1,318,559)	2,442,706	3,345,882	997,569
End Of Month Rate Base	210,922,422	201,756,283	202,927,636	3,810,048
Average Rate Base (BOM/EOM)	217,223,386	206,224,623	36,225,799	3,895,438
Calculation of Return				
Plus Debt Return	7,124,927	6,578,565	607,044	120,369
Plus Equity Return	10,426,723	10,084,384	988,166	185,423
Total Return	17,551,650	16,662,950	1,595,210	305,792
Income Statement Items				
Plus Operating Expense	5,106,462	4,296,376	2,865,240	6,210,200
Plus Accrued Costs / Benefits	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0
Plus Property Taxes	0	0	0	0
Plus Book Depreciation	7,519,999	7,508,910	711,386	212,423
Plus Deferred Taxes	3,908,329	3,761,265	903,176	(11,073)
Plus Gross Up for Income Tax	2,374,264	2,305,163	(183,155)	95,719
Less AFUDC	2,079	68,083	126,167	0
Less AFUDC Gross Up for Income Tax	1,119	36,660	67,936	0
Less OATT Credit to retail customers	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0
Total Income Statement Expense	18,905,855	17,766,971	4,102,546	6,507,269
Total Revenue Requirements	36,457,504	34,429,920	5,697,756	6,813,061
SD Jurisdictional Revenue Requirement	794,645	1,533,218	124,589	318,749

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Cost Recovery Assumptions

Weighted Cost of Capital	2008			2009		
	Rate	Ratio	Weighted Cost	Rate	Ratio	Weighted Cost
Long Term Debt						
Preferred Stock						
Short Term Debt						
Common Equity						
Required Rate of Return			8.08%			8.08%

	2010			2011		
	Rate	Ratio	Weighted Cost	Rate	Ratio	Weighted Cost
Long Term Debt						
Preferred Stock						
Short Term Debt						
Common Equity						
Required Rate of Return			8.12%			7.85%

Composite Income Tax Rates	2008	2009	2010 & 2011
State of South Dakota Tax rate	0.00%	0.00%	0.00%
Federal Statutory Tax rate	35.00%	35.00%	35.00%
Federal Effective Tax Rate (1-State Rate * Fed Rate)	35.00%	35.00%	35.00%
Total South Dakota Composite Tax Rate	35.0000%	35.0000%	35.0000%
Total Corporate Composite Tax Rate (2010 Forecast)	40.8318%	40.8630%	40.8530%

Calculation of State of South Dakota - Demand Allocators	2008	2009	2010 & 2011
36 Month Coincident Peak Demand Allocator	84.4224%	83.8829%	83.6422%
State of South Dakota Retail Demand Allocator	5.1340%	5.3230%	5.5961%

Calculation of State of South Dakota - Energy Allocators	2008	2009	2010 & 2011
36 Month Coincident Peak Energy Allocator	84.1229%	83.7647%	83.8310%
State of South Dakota Retail Energy Allocator	5.2928%	5.4553%	5.5971%

Depreciation Rates	2008	2009	2010 & 2011
Book Depr Rates (Annual)	0.2881%	0.2982%	0.3091%
King Remaining Life (years)	0.034574237	0.035787368	0.037088727
King Net Salvage	-1.9940%	-1.9940%	-1.9940%

Depreciation Rates	2008	2009	2010 & 2011
<u>King Production</u>			
Book Depr Rates (Annual)	0.2881%	0.2982%	0.3091%
Remaining Life (years)	29.5	28.5	27.5
Net Salvage	-1.9940%	-1.9940%	-1.9940%
<u>Sherco 3 Mercury</u>			
Book Depr Rates (Annual)	0.2881%	0.2982%	0.3091%
Remaining Life (years)	29.5	28.5	27.5
Net Salvage	-4.3000%	-4.3000%	-4.3000%
<u>King Mercury</u>			
Book Depr Rates (Annual)	0.2980%	0.3085%	0.3197%
Remaining Life (years)	29.5	28.5	27.5
Net Salvage	-5.5000%	-5.5000%	-5.5000%

Property Tax Rates	2008	2009	2010 & 2011
Property Tax Rate: MN State Electric Personal Property Tax Rate	0.000%	0.000%	0.000%

2008 Demand Allocators	Total	Minnesota Company	Minnesota	N Dakota	S Dakota	Wholesale	WI Co
36 Month Coin Peak Demand	100.0000%	84.4224%					15.5776%
12 Month Jurisdictional Demand	100.0000%		86.7317%	5.6655%	5.1340%	2.4688%	
2008 State of SD Demand Factor					4.3342%		

2009 Demand Allocators	Total	Minnesota Company	Minnesota	N Dakota	S Dakota	Wholesale	WI Co
36 Month Coin Peak Demand	100.0000%	83.8829%					16.1171%
12 Month Jurisdictional Demand	100.0000%		87.0761%	5.6745%	5.3230%	1.9264%	
2009 State of SD Demand Factor					4.4651%		

2010 Demand Allocators	Total	Minnesota Company	Minnesota	N Dakota	S Dakota	Wholesale	WI Co
36 Month Coin Peak Demand	100.0000%	83.6422%					16.3578%
12 Month Jurisdictional Demand	100.0000%		87.9815%	5.5779%	5.5961%	0.8445%	
2010 State of SD Demand Factor					4.6807%		

Cost of Capital**	2008	2009	2010	2011
Weighted Cost of Debt				
Weighted Cost of Equity				
Total Cost of Capital	8.08%	8.08%	8.12%	7.85%
Tax Gross-up	0.0000% Monthly***	0.0000% Monthly***	0.0000% Monthly***	0.0000% Monthly***
Composite Tax Rate - SD	35.00%	35.00%	35.00%	35.00%
Cost of Capital Including Taxes (annual)	8.0800%	8.0800%	8.1200%	7.8500%
Cost of Capital Including Taxes (monthly)	0.6496%	0.6496%	0.6527%	0.6317%

***The Annual Cost of Capital was adjusted for monthly compounding.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
2010 ECR Rider Projected Revenue Collection by Month

	Total Revenue	Actual Revenue
Adjustment Factors		
2010 ECR Rates	(1)	
Jan-10	203,679	203,679
Feb-10	(51,256)	(51,256)
Mar-10	25,207	25,207
Apr-10	21,586	21,586
May-10	22,825	22,825
Jun-10	27,488	27,488
Jul-10	32,771	32,771
Aug-10	32,388	32,388
Sep-10	24,355	24,355
Oct-10	23,220	23,220
Nov-10	24,490	24,490
Dec-10	25,448	25,448
Total Jan-Dec	\$ 412,203	

Notes:

(1) 2010 ECR Adjustment Factor was determined in 12/2009 as an estimate based on a 1/1/2010 Rate Case settlement implementation date.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
2011 ECR Rider Projected Revenue Collection by Month

	Total Revenue	Retail Sales (1)	Actual Revenue	Forecasted Revenue	Retail Sales (2)
Adjustment Factors					
2011 ECR Rates			\$0.000154	\$0.000154	\$0.000043
Jan-11	27,504		27,504		
Feb-11	22,653		22,653		
Mar-11	25,049		25,049		
Apr-11	21,947	-	21,947		
May-11	24,058	-	24,058		
Jun-11	27,226	176,795		27,226	
Jul-11	8,977	208,758			8,977
Aug-11	8,559	199,057			8,559
Sep-11	7,033	163,559			7,033
Oct-11	6,863	159,606			6,863
Nov-11	6,617	153,875			6,617
Dec-11	7,546	175,485			7,546
Total Jan-Dec	\$ 194,033	1,237,134	121,212	27,226	45,595

Notes:

- (1) Sales are based on the 2010/2011 State of South Dakota budget sales by calendar month.
- (2) 2011 estimated revenues to be recovered under the ECR Rate Rider are calculated by multiplying the ECR Adjustment Factor, listed above, by the forecast sales for the month.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery

SD-ECR Projected Tracker Activity for 2008													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008 Total
King - Production (1)	-	-	-	-	-	-	127,443	134,121	128,675	131,034	130,524	142,847	\$ 794,645
Balance Forward (2)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Expense (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,443	\$ 134,121	\$ 128,675	\$ 131,034	\$ 130,524	\$ 142,847	\$ 794,645
Revenues (4)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Balance (5)	-	-	-	-	-	-	127,443	134,121	128,675	131,034	130,524	142,847	\$ 794,645
Balance before Carrying Charge (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,443	\$ 262,644	\$ 393,547	\$ 527,918	\$ 662,919	\$ 811,388	\$ 794,645
Carrying Charge (7)	-	-	-	-	-	-	1,081	2,227	3,337	4,477	5,622	6,881	\$ 23,624
Ending Balance (8)	-	-	-	-	-	-	128,523	264,871	396,884	532,395	668,541	818,269	\$ 818,269

Notes:

- (1) Project in service July 2007
- (2) Balance Forward is the forecast balance of Total Expense less Revenue Recoveries. Since this is the first year of the SDECR Tracker Account, the balance is zero.
- (3) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (4) Actual revenue recoveries are shown through May 2011.
- (5) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (6) Balance before carrying charge for the month.
- (7) Carrying charge.
- (8) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery

SD-ECR Projected Tracker													
Activity for 2009													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 Total
King - Production (1)	141,058	125,347	127,341	126,708	112,342	130,366	131,452	133,755	129,450	125,368	122,435	127,597	\$ 1,533,218
Balance Forward (2)	818,269												\$ 818,269
Total Expense (3)	\$ 959,327	\$ 125,347	\$ 127,341	\$ 126,708	\$ 112,342	\$ 130,366	\$ 131,452	\$ 133,755	\$ 129,450	\$ 125,368	\$ 122,435	\$ 127,597	\$ 2,351,487
Revenues (4)	-	182,301	205,923	174,194	186,699	200,627	223,335	230,572	197,448	191,453	188,362	208,196	\$ 2,189,110
Balance (5)	959,327	(56,954)	(78,582)	(47,486)	(74,357)	(70,261)	(91,883)	(96,817)	(67,998)	(66,085)	(65,927)	(80,599)	\$ 162,377
Balance before Carrying Charge (6)	\$ 959,327	\$ 910,543	\$ 839,716	\$ 799,382	\$ 731,833	\$ 667,804	\$ 581,609	\$ 489,746	\$ 425,919	\$ 363,462	\$ 300,630	\$ 222,592	\$ 162,377
Carrying Charge (7)	8,171	7,755	7,152	6,808	6,233	5,688	4,954	4,171	3,628	3,096	2,560	1,896	\$ 62,111
Ending Balance (8)	967,497	918,298	846,868	806,190	738,066	673,492	586,563	493,917	429,547	366,557	303,191	224,488	\$ 224,488

Notes:

- (1) Project in service July 2007
- (2) The beginning balance in 2009 is carried over from the 2008 ending balance. Balance Forward is the forecast balance of Total Expense less Revenue Recoveries.
- (3) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (4) Actual revenue recoveries are shown through May 2011.
- (5) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (6) Balance before carrying charge for the month.
- (7) Carrying charge.
- (8) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery

SD-ECR Projected Tracker													
Activity for 2010													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 Total
King - Production (1)	124,589	-	-	-	-	-	-	-	-	-	-	-	\$ 124,589
King - Production (9)	(56,266)	-	-	-	-	-	-	-	-	-	-	-	\$ (56,266)
ECR True-Up Carryover (2)	224,488												\$ 224,488
Total Expense (3)	\$ 292,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,811
Revenues (4)	203,679	(51,256)	25,207	21,586	22,825	27,488	32,771	32,388	24,355	23,220	24,490	25,448	\$ 412,203
Expenses Less Revenues (5)	89,132	51,256	(25,207)	(21,586)	(22,825)	(27,488)	(32,771)	(32,388)	(24,355)	(23,220)	(24,490)	(25,448)	\$ (119,392)
Balance before Carrying Charge (6)	\$ 89,132	\$ 141,155	\$ 117,162	\$ 96,584	\$ 74,590	\$ 47,744	\$ 15,384	\$ (16,872)	\$ (41,373)	\$ (64,949)	\$ (89,998)	\$ (116,220)	\$ (119,392)
Carrying Charge (7)	767	1,215	1,008	831	642	411	132	(145)	(356)	(559)	(774)	(1,000)	\$ 2,171
Ending Balance (8)	89,899	142,369	118,170	97,415	75,232	48,155	15,516	(17,018)	(41,729)	(65,508)	(90,773)	(117,221)	\$ (117,221)

Notes:

- (1) Project in service July 2007
- (2) The beginning balance in 2010 is carried over from the 2009 ending balance. Balance Forward is the forecast balance of Total Expense less Revenue Recoveries.
- (3) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (4) Actual revenue recoveries are shown through May 2011.
- (5) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (6) Balance before carrying charge for the month.
- (7) Carrying charge.
- (8) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.
- (9) New SD Rates went into effect January 18, 2010. January 2010 Revenue Requirement Credit reflects 14 days of the 31 days of the month.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery

SD-ECR Projected Tracker													
Activity for 2011													
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011 Total
King - Production (1)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
King - Mercury (2)	16,120	16,117	16,123	16,130	16,137	16,134	16,129	16,125	16,121	16,117	16,113	16,108	\$ 193,476
Sherco Unit 3 - Mercury (3)	11,879	11,876	11,874	11,872	11,869	11,867	11,864	11,862	8,547	816	9,095	11,852	\$ 125,273
Balance Forward (4)	(117,221)												\$ (117,221)
Total Expense (5)	\$ (89,221)	\$ 27,994	\$ 27,997	\$ 28,002	\$ 28,006	\$ 28,000	\$ 27,994	\$ 27,987	\$ 24,668	\$ 16,933	\$ 25,207	\$ 27,961	\$ 201,528
Revenues (6)	27,504	22,653	25,049	21,947	24,058	27,226	8,977	8,559	7,033	6,863	6,617	7,546	\$ 194,033
Balance (7)	(116,725)	5,340	2,948	6,055	3,948	774	19,017	19,428	17,635	10,070	18,590	20,415	\$ 7,496
Balance before Carrying Charge (8)	\$ (116,725)	\$ (112,353)	\$ (110,336)	\$ (105,195)	\$ (102,119)	\$ (102,191)	\$ (84,021)	\$ (65,290)	\$ (48,196)	\$ (38,526)	\$ (20,255)	\$ (7)	\$ 7,496
Carrying Charge (9)	(968)	(931)	(915)	(872)	(846)	(847)	(696)	(541)	(399)	(319)	(168)	(0)	\$ (7,503)
Ending Balance (10)	(117,693)	(113,284)	(111,250)	(106,067)	(102,966)	(103,039)	(84,718)	(65,831)	(48,595)	(38,845)	(20,422)	(8)	\$ (8)

Notes:

- (1) Project in service July 2007.
- (2) Project in service December 2010.
- (3) Project in service December 2009.
- (4) The beginning balance in 2011 is carried over from the 2010 ending balance. Balance Forward is the forecast balance of Total Expense less Revenue Recoveries.
- (5) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (6) Actual revenue recoveries are shown through May 2011.
- (7) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (8) Balance before carrying charge for the month.
- (9) Carrying charge.
- (10) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
2010 ECR Rate Adjustment Factor Calculation

All customers are subject to the same energy cost per kWh.

<u>Description</u>	<u>All Classes</u>
South Dakota Annual Cost (1)	\$307,175
Forecasted South Dakota MWH (2)	1,996,314
Energy Factor / kWh	\$0.000154
Residential bill impact / Month (3)	\$0.12

Notes:

(1) Annual cost includes true-up adjustment to Tracker Account for the previous year's over- or under-recovery.

(2) Consistent with 2011 Budget sales (August 2010 vintage) forecast. Includes Interdepartmental sales and reflects calendar month sales.

(3) Assumes 750 kWh per month.

(4) New SD Rates went into effect January 18, 2010. January 2010 Revenue Requirements reflect 17 days of the 31 days of the month.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
2011 ECR Rate Adjustment Factor Calculation

Projected 7/1/2011 Implementation Date

All customers are subject to the same energy cost per kWh.

<u>Description</u>	<u>All Classes</u>
South Dakota Annual Cost (1)	\$45,595
Forecasted South Dakota MWH (2)	1,060,339
Energy Factor / kWh	\$0.000043
Residential bill impact / Month (3)	\$0.03

Notes:

(1) Annual cost includes true-up adjustment to Tracker Account for the previous year's over- or under-recovery, less actual recovery for Jan-May, and forecasted recovery for June 2011.

(2) Forecasted sales for June-Dec 2011. Consistent with 2011 Budget sales (August 2010 Vintage) forecast. Includes Interdepartmental sales and reflects calendar month sales.

(3) Assumes 750 kWh per month.