

Exhibit ____ (BLC-2)
Schedule 3

UPDATED (to use "Net Proceeds" for cost of debt and debt balances)

Northern States Power Company Minnesota - South Dakota

Cost of Long Term Debt

December 31, 2011

| Issue A | Amount Issued B | Net Proceeds C | Amortization | | | | Total Annual Cost H | Capital Cost % D |
|------------------------------------|-----------------------|----------------------|--------------|---------------|--------------|---------------|---------------------------|------------------------|
| | | | Hedge D | Discount E | Expense F | Interest G | | |
| First Mortgage Bonds | | | | | | | | |
| 8.000% | 450,000,000 | 444,313,265 | | 450,000 | 119,000 | 36,000,000 | 36,569,000 | 8.13% |
| 1.950% | 250,000,000 | 247,175,879 | | 99,000 | 466,000 | 4,875,000 | 5,440,000 | 2.18% |
| 5.250% | 500,000,000 | 488,497,492 | (517,000) | 153,000 | 484,000 | 26,250,000 | 26,370,000 | 5.27% |
| 7.125% | 250,000,000 | 245,721,667 | | 78,000 | 63,000 | 17,812,500 | 17,953,500 | 7.18% |
| 6.500% | 150,000,000 | 146,754,115 | | 59,000 | 49,000 | 9,750,000 | 9,858,000 | 6.57% |
| 5.250% | 250,000,000 | 246,482,886 | | 16,000 | 101,000 | 13,125,000 | 13,242,000 | 5.30% |
| 6.250% | 400,000,000 | 409,921,275 | 540,000 | 47,000 | 162,000 | 25,000,000 | 25,749,000 | 6.44% |
| 6.200% | 350,000,000 | 345,569,157 | 189,000 | 66,000 | 144,000 | 21,700,000 | 22,099,000 | 6.31% |
| 5.350% | 300,000,000 | 291,067,479 | (107,000) | 19,000 | 139,000 | 16,050,000 | 16,101,000 | 5.37% |
| 4.850% | 250,000,000 | 246,478,379 | | 24,000 | 101,000 | 12,125,000 | 12,250,000 | 4.90% |
| Pollution Control | | | | | | | | |
| 6.543% | 27,900,000 | 26,739,784 | | | 52,000 | 1,825,497 | 1,877,497 | 6.73% |
| 6.543% | 50,000,000 | 48,927,434 | | | 55,000 | 3,271,500 | 3,326,500 | 6.65% |
| 6.543% | 50,000,000 | 48,924,886 | | | 55,000 | 3,271,500 | 3,326,500 | 6.65% |
| 6.543% | 69,000,000 | 68,652,119 | | | 45,000 | 4,514,670 | 4,559,670 | 6.61% |
| Total interest | \$3,346,900,000 | \$3,305,225,817 | 105,000 | 1,011,000 | 2,035,000 | 195,570,667 | \$198,721,667 | 5.94% |
| Amort.Loss/Gain on reacquired debt | | | | | | | 2,111,000 | |
| Fees on 5-year Cred Facility | | | | | | | 706,000 | |
| Total | \$3,346,900,000 | \$3,305,225,817 | | | | | \$201,538,667 | |
| Embedded Cost of Long Term Debt: | | | | | | | | 6.10% |

Source: NSP Response to Staff Data Request 2-12, Attachment B
NSP Statement G, as Originally Filed

Schedule 3

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