

2010SD Incentive Adj Rate Case

Period	Mn Co Electric												Mn Co Gas		Jur Electric				Jur Gas	
	Production				Transmission				Distribution				MN	ND	MN	ND	SD	Whls	MN	ND
	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls								

Statement of Income

Operating Expenses:		Annual	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND
Fuel & Purchased Energy	Annual																			
Power Production	Annual																			
Transmission	Annual																			
Distribution	Annual																			
Customer Accounting	Annual																			
Customer Service & Information	Annual																			
Sales, Econ Dvlp & Other	Annual																			
Administrative & General	Annual			(7,335)					(1,512)				(3,981)							(727)
Total Operating Expenses:	Annual	0	0	(7,335)	0	0	0	0	(1,512)	0	0	0	(3,981)	0	0	0	0	0	0	(727)

Jurisdiction Cash Working Capital

Fuel Expenses		Annual	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND
Total Fuel Expenses	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Purchased Power

Purchased Power		Annual	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND
Total Purchased Power	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Labor Related

Regular Payroll		Annual	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND
Incentive Compensation	Annual			(7,335)					(1,512)				(3,981)							(727)
Pension & Benefits	Annual																			
Total Labor & Related	Annual	0	0	(7,335)	0	0	0	0	(1,512)	0	0	0	(3,981)	0	0	0	0	0	0	(727)

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Northern States Power Company (MN)
Detail for Cash Working Capital

**2010 Actual Incentive Adjustment
Adjustment Worksheet for Electric Utility**

	2010 Actual Amounts for NSP Company	NSP Company Electric	Minnesota Electric Jurisdiction	North Dakota Electric Jurisdiction	South Dakota Electric Jurisdiction	Wholesale Electric Jurisdiction
Total Identified in Base Data as Incentive						
Less Non-Utility Amount (FERC 417.1)						
Less Lobbying Amount not includable (FERC 426)						
Incentive Net of Below the line Items	39,839,259	37,470,408	32,985,693	2,197,569	2,120,440	166,706
Less Long Term Plan & Cash Retention	(2,662,395)	(2,437,628)	(2,150,729)	(145,447)	(139,206)	(2,246)
Less Executive Perquisites	(16,869)	(15,403)	(13,592)	(919)	(879)	(13)
Less Restricted Stock	(4,334,736)	(4,047,944)	(3,569,099)	(237,420)	(229,915)	(11,511)
Less Former NMC Long Term & Cash Retention	(279,572)	(279,572)	(245,972)	(15,594)	(15,645)	(2,361)
Less Other Bonuses/Incentives	(1,000,706)	(1,000,594)	(875,725)	(60,857)	(55,996)	(8,015)
Net Amount of Base Incentive	31,544,981	29,689,267	26,130,577	1,737,331	1,678,798	142,561
Adjust total to 83% (4 year average payout)	(5,362,647)	(5,047,175)	(4,442,198)	(295,346)	(285,396)	(24,235)
Net Incentive Pay included in Annual Report	26,182,334	24,642,092	21,688,379	1,441,985	1,393,403	118,325
Total Adjustment to Incentive Amount in Actuals	(13,656,925)	(12,828,316)	(11,297,314)	(755,584)	(727,037)	(48,381)

PTD Allocation	100.00%	Production	Transmission	Distribution
		57.18%	11.79%	31.03%
		(7,335,231)	(1,512,459)	(3,980,627)

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NSP Minnesota Incentive Compensation**Amount Paid Compared to 100% of Target Amounts**

\$ in 000

Year	Amt. Paid	100% of Target	% Paid to Target
2000	\$21,470	\$16,812	128%
2001	\$15,672	\$13,921	113%
2002	\$4,963	\$15,148	33%
2003	\$15,672	\$13,718	114%
2004	\$6,184	\$12,143	51%
2005	\$5,046	\$13,580	37%
2006	\$16,334	\$12,773	128%
2007	\$14,720	\$12,665	116%
2008	\$0	\$13,655	0%
2009*	\$27,891	\$24,708	113%
2010	\$28,218	\$27,283	103%
2011		\$28,995	0%

\$ Year Average

83%

11 Year Average Payout (2010 through 2010)	85%
10 Year Average Payout (2010 through 2001)	81%
9 Year Average Payout (2010 through 2002)	77%
8 Year Average Payout (2010 through 2003)	83%
7 Year Average Payout (2010 through 2004)	78%
6 Year Average Payout (2010 through 2005)	83%
5 Year Average Payout (2010 through 2006)	92%
4 Year Average Payout (2010 through 2007)	83%
3 Year Average Payout (2010 through 2008)	72%
2 Year Average Payout (2010 through 2009)	108%
1 Year Average Payout (2010 through 2010)	103%

* 2009 includes incentive amounts formerly associated with NMC
of \$9,089,385 which became part of NSP in 2008