

Northern States Power Company
 Summary of Non-Asset Based Trading Costs and Margins
 Incremental Costs

Docket No. EL12-____
 Exhibit__(TEK-1), Schedule 09
 Attachment A

	2009	2010	2011	3 Yr Avg.	2012	2013
<u>NSPM Operating Company</u>						
Incremental O&M Labor Costs						
Trading	\$ 591,221	\$ 475,984	\$ 312,777	\$ 459,994	\$ 286,879	\$ 292,222
Risk	\$ 99,934	\$ 129,658	\$ 93,579	\$ 107,724	\$ 100,272	\$ 102,997
Accounting	\$ 69,509	\$ 62,159	\$ 62,423	\$ 64,697	\$ 67,740	\$ 67,592
Total Incremental O&M Expenses	\$ 760,664	\$ 667,801	\$ 468,779	\$ 632,415	\$ 454,891	\$ 462,812
Non-Asset Based Shared Margins at 25%	\$ 1,332,085	\$ 1,406,088	\$ 1,386,547	\$ 1,374,907	\$ 2,928,290	\$ 3,240,000
<u>State of SD Jurisdictional Amounts</u>						
Energy SD Jurisdictional Allocator	5.4553%	5.5971%	5.6539%	5.5688%	5.7429%	5.8297%
Demand SD Jurisdictional Allocator	5.3230%	5.5961%	5.7712%	5.5634%	5.8287%	5.9181%
Incremental O&M Expenses	\$ 40,490	\$ 37,371	\$ 27,054	\$ 35,184	\$ 26,514	\$ 27,390
Non-Asset Based Shared Margins at 25%*	\$ 72,669	\$ 78,700	\$ 78,394	\$ 76,565	\$ 168,169	\$ 188,882
Difference	\$ 32,179	\$ 41,329	\$ 51,340	\$ 41,381	\$ 141,655	\$ 161,493

Notes:

2009 and 2010 shared margins reflect 25%. Shared margins for 2011 through 2013 reflect 30%.

Actual 2012 & 2013 margins could vary from the projected amounts provided. Non-asset margins are extremely difficult to project as they are based on the Company's opportunity to purchase power and resell that same energy at higher prices – only when arbitrage opportunities exist are non-asset based transactions made. Market conditions are dynamic and constantly changing. Other considerations that have affected non-asset margins are MISO after the fact settlements.

Northern States Power Company
 Summary of Non-Asset Based Trading Costs and Margins
 Fully Allocated Costs

Docket No. EL12-____
 Exhibit____(TEK-1), Schedule 9
 Attachment B

	2009	2010	2011	3 Yr Avg	2012	2013
NSPM Operating Company						
O&M Expenses						
Trading	\$ 979,410	\$ 835,178	\$ 560,451	\$ 791,680	\$ 427,681	\$ 436,855
Risk	\$ 158,096	\$ 206,660	\$ 150,309	\$ 171,688	\$ 165,187	\$ 169,721
Accounting	\$ 108,921	\$ 100,810	\$ 100,955	\$ 103,562	\$ 107,682	\$ 107,567
Indirect Labor Overhead	\$ 115,957	\$ 95,520	\$ 83,002	\$ 98,159	\$ 51,609	\$ 72,981
IT System	\$ 25,934	\$ 59,948	\$ 12,738	\$ 32,873	\$ 26,697	\$ 49,472
Total O&M Expenses	\$ 1,388,318	\$ 1,298,115	\$ 907,455	\$ 1,197,963	\$ 778,856	\$ 836,597
Rate Base						
IT Systems	\$ 83,843	\$ 128,645	\$ 15,555	\$ 76,014	\$ 22,384	\$ 30,481
Total Rate Base	\$ 83,843	\$ 128,645	\$ 15,555	\$ 76,014	\$ 22,384	\$ 30,481
NSPM Total Rev Req.	\$ 1,472,161	\$ 1,426,760	\$ 923,010	\$ 1,273,977	\$ 801,240	\$ 867,078
Non-Asset Based Shared Margins at 25%	\$1,332,085	\$1,406,088	\$1,386,547	\$ 1,374,907	\$ 2,928,290	\$ 3,240,000
State of SD Jurisdictional Amounts						
Energy SD Jurisdictional Allocator	5.4553%	5.5971%	5.6539%	5.5688%	5.7429%	5.8297%
Demand SD Jurisdictional Allocator	5.3230%	5.5961%	5.7712%	5.5634%	5.8287%	5.9181%
Revenue Requirements	\$78,363	\$79,843	\$53,269	\$70,877	\$46,702	\$51,315
Non-Asset Based Shared Margins at 25%	\$72,669	\$78,700	\$78,394	\$76,565	\$168,169	\$188,882
Difference	(\$5,694)	(\$1,143)	\$25,125	\$5,688	\$121,467	\$137,568

Notes:

2009 and 2010 shared margins reflect 25%. Shared margins for 2011 through 2013 reflect 30%.

Actual 2012 & 2013 margins could vary from the projected amounts provided. Non-asset margins are extremely difficult to project as they are based on the Company's opportunity to purchase power and resell that same energy at higher prices – only when arbitrage opportunities exist are non-asset based transactions made. Market conditions are dynamic and constantly changing. Other considerations that have affected non-asset margins are MISO after the fact settlements.