

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 10386260 PI-ZE Piping System Replacement
 2011 Test Year South Dakota Electric Rate Case - 2011 Rev Requirement
 (000's)

Rate Analysis

| | Total Company | SD Jurisdiction |
|------------------------------------|---------------|-----------------|
| Plant Investment | 789 | 38 |
| Depreciation Reserve | (247) | (12) |
| CWIP | - | - |
| Accumulated Deferred Taxes | 1,229 | 59 |
| | (193) | (9) |
| Average Rate Base | (193) | (9) |
| Tax Prefereced Items: | | |
| Tax Depreciation & Removal Expense | 6,162 | 298 |
| Avoided Tax Interest | 412 | 20 |
| Debt Return | (6) | (0) |
| Equity Return | (9) | (0) |
| Current Income Tax Requirement | (1,782) | (86) |
| Book Depreciation | 19 | 1 |
| Annual Deferred Tax | 2,431 | 118 |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | - | - |
| Total Revenue Requirements | 653 | 32 |

| Last Authorized | | | |
|-------------------------|----------|----------|---------------|
| Capital Structure | Rate | Ratio | Weighted Cost |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | 7.7900% |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depre+Def Tx+ITC-Tax Depre-ADUDC+Avoid Tax)* T/(1-T)

Dt Ret+Eq Ret+Cur Tax+Bk Depre+Def Tax+ITC+ADUDC+Prop Tax

Northern States Power, a Minnesota corporation
 2011 Test-Year Actual
 10386260 PI-ZE Piping System Replacement

EL12-xxx

Property Tax Rate 0.0000%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|-----|------------------------|-----|-----------------|-----|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |

Plant

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|------------|------------------------|------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 788,676.00 | 788,676.00 | 660,925.47 | 660,925.47 | 38,143.33 | 38,143.33 |
| COSS Adj (000's) | 789 | 789 | 661 | 661 | 38 | 38 |

Reserve

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|-------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | (246,818.00) | (246,818.00) | (206,838.17) | (206,838.17) | (11,937.04) | (11,937.04) |
| COSS Adj (000's) | (247) | (247) | (207) | (207) | (12) | (12) |

Accumulated Deferred

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 1,229,416.00 | 1,229,416.00 | 1,030,273.97 | 1,030,273.97 | 59,459.17 | 59,459.17 |
| COSS Adj (000's) | 1,229 | 1,229 | 1,030 | 1,030 | 59 | 59 |

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Northern States Power, a Minnesota corporation
 2011 Test-Year Actual
 10386260 PI-ZE Piping System Replacement

EL12-xxx

Property Tax Rate 0.0000%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 19,057.22 | 15,970.31 | 921.68 |
| COSS Adj (000's) | - 19 | - 16 | - 1 |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 2,431,392.64 | 2,037,553.23 | 117,591.27 |
| COSS Adj (000's) | - 2,431 | - 2,038 | - 118 |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 6,162,108.44 | 5,163,963.96 | 298,022.69 |
| COSS Adj (000's) | - 6,162 | - 5,164 | - 298 |

AFUDC (Not allowed in SD)

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 412,256.95 | 345,479.16 | 19,938.29 |
| COSS Adj (000's) | - 412 | - 345 | - 20 |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

PC19-4

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 10386260 PI-ZE Piping System Replacement
 2011 Test Year South Dakota Electric Rate Case - 2013 Step Rev Requirement
 (000's)

| <u>Rate Analysis</u> | <u>Total Company SD Jurisdiction</u> | |
|------------------------------------|--------------------------------------|------------|
| Plant Investment | 9,896 | 479 |
| Depreciation Reserve | 593 | 29 |
| CWIP | - | - |
| Accumulated Deferred Taxes | 1,222 | 59 |
| | <u>8,081</u> | <u>391</u> |
| Average Rate Base | 8,081 | 391 |
| Tax Preferreded Items: | | |
| Tax Depreciation & Removal Expense | (5,715) | (276) |
| Avoided Tax Interest | (412) | (20) |
| Debt Return | 233 | 11 |
| Equity Return | 397 | 19 |
| Current Income Tax Requirement | 2,016 | 97 |
| Book Depreciation | 477 | 23 |
| Annual Deferred Tax | (2,432) | (118) |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | 123 | 6 |
| Total Revenue Requirements | 814 | 38 |

| Last Authorized | | | |
|--------------------------|-----------------|--------------|----------------------|
| <u>Capital Structure</u> | <u>Rate</u> | <u>Ratio</u> | <u>Weighted Cost</u> |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | <u>7.7900%</u> |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depre+Def Tx+ITC-Tax Depre-ADUDC+Avoid Tax)* T/I
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Dt Ret+Eq Ret+Cur Tax+Bk Depre+Def Tax+ITC+ADUDC+Prop Ta

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 10386260 PI-ZE Piping System Replacement
 2011 Test Year South Dakota Electric Rate Case - 2013 Rev Requirement
 (000's)

| <u>Rate Analysis</u> | <u>Total Company SD Jurisdiction</u> | |
|------------------------------------|--------------------------------------|-----------|
| Plant Investment | 10,685 | 517 |
| Depreciation Reserve | 346 | 17 |
| CWIP | - | - |
| Accumulated Deferred Taxes | 2,451 | 119 |
| | 7,888 | 381 |
| | | |
| Average Rate Base | 7,888 | 381 |
| Tax Preferreded Items: | | |
| Tax Depreciation & Removal Expense | 447 | 22 |
| Avoided Tax Interest | - | - |
| | | |
| Debt Return | 227 | 11 |
| Equity Return | 387 | 19 |
| Current Income Tax Requirement | 235 | 11 |
| | | |
| Book Depreciation | 496 | 24 |
| Annual Deferred Tax | - | - |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | 123 | 6 |
| Total Revenue Requirements | 1,468 | 71 |

| Last Authorized | | | |
|--------------------------|-------------|--------------|----------------------|
| <u>Capital Structure</u> | <u>Rate</u> | <u>Ratio</u> | <u>Weighted Cost</u> |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | 7.7900% |
| | | | |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depre+Def Tx+ITC-Tax Depre-ADUDC+Avoid Tax)* T/

 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Dt Ret+Eq Ret+Cur Tax+Bk Depre+Def Tax+ITC+ADUDC+Prop Ta

Northern States Power, a Minnesota corporation
 2013 Step Adjustment
 10386260 PI-ZE Piping System Replacement

Net EL12-xxx

Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|-----|------------------------|-----|-----------------|-----|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |

Plant

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 9,895,947.00 | 9,895,947.00 | 8,292,991.61 | 8,292,991.61 | 478,605.13 | 478,605.13 |
| COSS Adj (000's) | 9,896 | 9,896 | 8,293 | 8,293 | 479 | 479 |

Reserve

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|------------|------------------------|------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 592,645.00 | 592,645.00 | 496,647.77 | 496,647.77 | 28,662.54 | 28,662.54 |
| COSS Adj (000's) | 593 | 593 | 497 | 497 | 29 | 29 |

Accumulated Deferred

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 1,221,787.00 | 1,221,787.00 | 1,023,880.72 | 1,023,880.72 | 59,090.20 | 59,090.20 |
| COSS Adj (000's) | 1,222 | 1,222 | 1,024 | 1,024 | 59 | 59 |

PC19-8

Northern States Power, a Minnesota corporation
 2013 Step Adjustment
 10386260 PI-ZE Piping System Replacement

Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 477,204.99 | 399,906.85 | 23,079.42 |
| COSS Adj (000's) | - 477 | - 400 | - 23 |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | (2,431,810.34) | (2,037,903.27) | (117,611.47) |
| COSS Adj (000's) | - (2,432) | - (2,038) | - (118) |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | (5,714,869.54) | (4,789,169.26) | (276,392.54) |
| COSS Adj (000's) | - (5,715) | - (4,789) | - (276) |

AFUDC

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | (412,256.95) | (345,479.16) | (19,938.29) |
| COSS Adj (000's) | - (412) | - (345) | - (20) |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 122,873.16 | 102,970.05 | 5,942.61 |
| COSS Adj (000's) | - 123 | - 103 | - 6 |

PC 19-9

Northern States Power, a Minnesota corporation
 2011 Test-Year - Year 2013
 10386260 PI-ZE Piping System Replacement

Property Tax Rate 1.1500%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|-----|------------------------|-----|-----------------|-----|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |

Plant

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|---------------|------------------------|--------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 10,684,623.00 | 10,684,623.00 | 8,953,917.08 | 8,953,917.08 | 516,748.46 | 516,748.46 |
| COSS Adj (000's) | 10,685 | 10,685 | 8,954 | 8,954 | 517 | 517 |

Reserve

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|------------|------------------------|------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 345,827.00 | 345,827.00 | 289,809.60 | 289,809.60 | 16,725.49 | 16,725.49 |
| COSS Adj (000's) | 346 | 346 | 290 | 290 | 17 | 17 |

Accumulated Deferred

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 2,451,203.00 | 2,451,203.00 | 2,054,154.69 | 2,054,154.69 | 118,549.38 | 118,549.38 |
| COSS Adj (000's) | 2,451 | 2,451 | 2,054 | 2,054 | 119 | 119 |

PF 19-10

Northern States Power, a Minnesota corporation
 2011 Test-Year - Year 2013
 10386260 PI-ZE Piping System Replacement

Property Tax Rate 1.1500%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 496,262.20 | 415,877.16 | 24,001.10 |
| COSS Adj (000's) | - 496 | - 416 | - 24 |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | (417.70) | (350.04) | (20.20) |
| COSS Adj (000's) | - - | - - | - - |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 447,238.91 | 374,794.70 | 21,630.15 |
| COSS Adj (000's) | - 447 | - 375 | - 22 |

AFUDC (Not allowed in SD)

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 122,873.16 | 102,970.05 | 5,942.61 |
| COSS Adj (000's) | - 123 | - 103 | - 6 |

PF-19-11