

2011 SD Incentive Adj

Rate Base

Statement of Income

Operating Expenses:

	Period	Mn Co Electric												Jur Electric			
		Production				Transmission				Distribution				MN	ND	SD	Whls
		MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls
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	(6,011)	(6,011)	(6,011)	(6,011)	(1,197)	(1,197)	(1,197)	(1,197)	(3,145)	(3,145)	(3,145)	(3,145)			(839)	
Total Operating Expenses:	Annual	(6,011)	(6,011)	(6,011)	(6,011)	(1,197)	(1,197)	(1,197)	(1,197)	(3,145)	(3,145)	(3,145)	(3,145)	0	0	(839)	0

Juris Income Tax

Jurisdiction Cash Working Capital

Labor Related

Regular Payroll	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Incentive Compensation	Annual	(6,011)	(6,011)	(6,011)	(6,011)	(1,197)	(1,197)	(1,197)	(1,197)	(3,145)	(3,145)	(3,145)	(3,145)	0	0	(839)	0
Pension & Benefits	Annual																
Total Labor & Related	Annual	(6,011)	(6,011)	(6,011)	(6,011)	(1,197)	(1,197)	(1,197)	(1,197)	(3,145)	(3,145)	(3,145)	(3,145)	0	0	(839)	0

Northern States Power Company
 Incentive By Financial/Operational Payouts

		SD Jurisdiction FY 2011	SD Jurisdiction FY 2010	SD Jurisdiction FY 2009	SD Jurisdiction FY 2008
Annual Incentive:					
Op Co Annual Excluding Non-Exempt	A	899,367	964,336	901,233	-
Mn Op Co Incentive Financial vs Operational %'s					
Mn Op Co Financial %		19.4%	19.6%	19.2%	
Mn Op Co Operational %	B	80.6%	80.4%	80.8%	
Mn Op Co Operational Related Incentive	A * B	<u>724,890</u>	<u>775,326</u>	<u>728,196</u>	<u>-</u>
XS Co Annual Excluding Non-Exempt	C	457,604	598,746	618,787	-
XS Co Incentive Financial vs Operational %'s					
XS Co Financial %		22.5%	20.7%	24.2%	
XS Co Operational %	D	77.6%	79.3%	75.8%	
XS Co Operations Related Incentive	C * D	<u>354,872</u>	<u>474,806</u>	<u>469,041</u>	<u>-</u>
Total Combined Operational Related Incentive		<u>1,079,762</u>	<u>1,250,132</u>	<u>1,197,237</u>	<u>-</u>
Four Year Average Operational Incentive		881,782			
Four Year Average Restricted Stock Incentive (below)		<u>15,185</u>			
Total Allowable Incentive		896,968			
Total Incentive in Test Year		<u>1,736,435</u>			
2011 SD Incentive Adjustment		<u>(839,467)</u>			
Total RS 2011		4,583,818			
Ave Environ Percentage of total RS		9.473%			
Estimated Environmental		434,206			
SD Percentahe of Total 2011 RS		5.3191%			
2011 RS		21,349			
2010 RS		17,639			
2009 RS		13,392			
2008 RS		8,361			
Average for 2011		<u>15,185</u>			
Per 2011 Actuals					
Obj Acct 711230, 618106. & 618426		899,367			
Obj Acct 711160		457,604			