

Northern States Power Company Minnesota - South Dakota
 Cost of Capital
 13 Month Average for 2013 : Proposed Cost of Capital
 (\$000's)

	(A)	(B)	(C)	(D)	(E)
Line No	Description	Amount	Percentage Of Total	Cost	Weighted Cost
1	Long Term Debt a)	3,646,911	46.14%	5.04%	2.32%
2	Common Equity b)	4,257,356	53.86%	10.25%	5.52%
		<u>7,904,267</u>	<u>100.00%</u>		<u>7.84%</u>

Footnotes:

- a) Cost of Long Term Debt - Becker Bonds redeemed 9/28/2012 adjustment no longer needed.
- b) Adjusted to remove non-regulated subsidiary UP&L.

ACTUAL YEAR 2013 1/

Description	Coupon Rate	Issue Date	Maturity Date	13 Month Avg. Bal. Amount	Hedge/ Premium	Discount	Expense	/ 3 Capital Employed	Total				Cost of Capital	Capital Cost %
									Interest Charge /4	Premium Amortization	Discount Amortization	Expense Amortization		
First Mortgage Bonds														
Series due July 1, 2025 (FMB)	7.1250	Jul-95	Jul-25	250,000	-	929	757	248,314	17,813	-	78	63	17,953	7.23%
Series due March 1, 2028 (FMB)	6.5000	Mar-98	Mar-28	150,000	-	859	719	148,422	9,750	-	59	49	9,858	6.64%
Series Due July 15, 2035 (FMB)	5.2500	Jul-05	Jul-35	250,000	-	356	2,225	247,419	13,125	-	16	101	13,242	5.35%
Series Due June 1, 2036 (FMB)	6.2500	May-06	Jun-36	400,000	12,465	1,070	3,717	407,678	25,000	544	35	174	24,665	6.05%
Series Due July 1, 2037 (FMB)	6.2000	Jun-07	Jul-37	350,000	745	1,587	3,462	345,696	21,700	189	66	144	21,721	6.28%
Series Due March 1, 2018 (FMB)	5.2500	Mar-08	Mar-18	500,000	(2,396)	706	2,238	494,660	26,250	(518)	153	484	27,405	5.54%
Series Due November 1, 2039 (FMB)	5.3500	Nov-09	Nov-39	300,000	(2,815)	500	3,647	293,038	16,050	(107)	19	139	16,315	5.57%
Series Due August 15, 2015 (FMB)	1.9500	Aug-10	Aug-15	250,000	-	206	969	248,825	4,875	-	99	466	5,440	2.19%
Series Due August 15, 2040 (FMB)	4.8500	Aug-10	Aug-40	250,000	-	638	2,725	246,637	12,125	-	24	101	12,249	4.97%
Series Due August 15, 2022 (FMB)	2.1500	Aug-12	Aug-22	300,000	-	414	2,808	296,778	6,450	-	46	309	6,805	2.29%
Series Due August 15, 2042 (FMB)	3.4000	Aug-12	Aug-42	500,000	(43,546)	3,702	6,082	446,669	17,000	(1,496)	127	209	18,833	4.22%
Series Due May 15, 2023 (FMB)	2.6000	May-13	May-23	246,154	-	472	2,841	242,840	6,384	-	45	275	6,704	2.76%
Other Debt														
Right of Way Notes	var	var	var	45	-	-	-	45	-	-	-	-	-	0.00%
TOTAL DEBT				3,746,199	(35,548)	11,439	32,190	3,667,022	176,522	(1,388)	766	2,515	181,190	4.94%
Unamortized Loss on Reacquired Debt								(20,111)					1,928	
Fees on 5-year Credit Facility 2/								-					512	
GRAND TOTAL and Ccost of Debt								3,646,911					183,630	5.04%

Notes:

1/ NSPM issuances - May 2013 \$400M. Balance is 8 of 13 Months

2/ Fees associated with the 5 Year Credit Facility are amortized over the life of the facility and are incorporated into the long-term debt rate

3/ Capital Employed is based on the Premium / Discount / Expense Balances representing average declining balances. New and Maturing Debt averaged on number of months in the year

4/ Interest Charge on the 2013 debt issuance reflects a May 20th, 2013 issuance date.

Common Equity
 (\$000's)

<u>Month</u>	<u>Common Equity Outstanding</u>	<u>Non-Regulated Subsidiaries*</u>	<u>Net Common Equity</u>
<u>ACTUAL YEAR 2013</u>			
2012 Dec	\$4,036,369	\$1,046	\$4,035,323
2013 Jan	\$4,135,902	\$1,040	\$4,134,862
Feb	\$4,160,464	\$1,026	\$4,159,438
Mar	\$4,199,834	\$1,013	\$4,198,821
Apr	\$4,218,174	\$999	\$4,217,175
May	\$4,234,574	\$1,000	\$4,233,574
Jun	\$4,218,419	\$986	\$4,217,433
Jul	\$4,280,942	\$972	\$4,279,970
Aug	\$4,336,901	\$958	\$4,335,943
Sep	\$4,305,223	\$946	\$4,304,277
Oct	\$4,336,764	\$932	\$4,335,832
Nov	\$4,414,299	\$918	\$4,413,381
Dec	\$4,480,794	\$1,198	\$4,479,596
13 Month Average	\$4,258,358	\$1,003	\$4,257,356

* Subsidiaries include United Power and Land.

	2012 December	2013 January	2013 February	2013 March	2013 April	2013 May	2013 June	2013 July	2013 August	2013 September	2013 October	2013 November	2013 December	13 mo ave or sum
Principal														13 mo ave
First Mortgage Bonds														13 mo ave
Series due July 1, 2025 (FMB)	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Series due March 1, 2028 (FMB)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Series Due July 15, 2035 (FMB)	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Series Due June 1, 2036 (FMB)	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Series Due July 1, 2037 (FMB)	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000
Series Due March 1, 2018 (FMB)	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Series Due November 1, 2039 (FMB)	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Series Due August 15, 2015 (FMB)	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Series Due August 15, 2040 (FMB)	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Series Due August 15, 2022 (FMB)	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Series Due August 15, 2042 (FMB)	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Series Due May 15, 2023 (FMB)	-	-	-	-	-	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	246,153,846
Other Debt														
Right of Way Notes	2,415	2,415	2,415	54,504	54,504	54,504	59,209	59,209	59,209	59,233	59,233	59,233	60,245	45,102
Total	3,500,002,415	3,500,002,415	3,500,002,415	3,500,054,504	3,500,054,504	3,900,054,504	3,900,059,209	3,900,059,209	3,900,059,209	3,900,059,233	3,900,059,233	3,900,059,233	3,900,060,245	3,746,198,948
Amortization of Hedges														sum
First Mortgage Bonds														
Series due July 1, 2025 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series due March 1, 2028 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due August 1, 2010 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due July 15, 2035 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due June 1, 2036 (FMB)	46,238	41,762	46,237	44,746	46,238	44,746	46,237	46,238	44,746	46,236	44,746	46,238	46,238	544,404
Series Due July 1, 2037 (FMB)	16,064	14,509	16,064	15,546	16,064	15,546	16,064	16,064	15,546	16,064	15,546	16,064	15,546	189,141
Series Due March 1, 2018 (FMB)	(44,006)	(39,747)	(44,006)	(42,586)	(44,006)	(42,586)	(44,006)	(44,006)	(42,586)	(44,006)	(42,586)	(44,006)	(42,586)	(518,134)
Series Due November 1, 2039 (FMB)	(9,087)	(8,208)	(9,087)	(8,794)	(9,087)	(8,794)	(9,087)	(9,087)	(8,794)	(9,087)	(8,794)	(9,087)	(8,794)	(106,993)
Series Due August 15, 2015 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due August 15, 2040 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due August 15, 2022 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due August 15, 2042 (FMB)	(127,087)	(114,788)	(127,087)	(122,987)	(127,087)	(122,987)	(127,087)	(127,087)	(122,987)	(127,087)	(122,987)	(127,087)	(127,087)	(1,496,343)
Series Due May 15, 2023 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Debt														
Public Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(117,878)	(106,471)	(117,879)	(114,076)	(117,878)	(114,076)	(117,879)	(117,879)	(117,878)	(114,076)	(117,880)	(114,076)	(117,878)	(1,387,924)
Amortization of Debt Discount														sum
First Mortgage Bonds														
Series due July 1, 2025 (FMB)	6,593	5,955	6,593	6,380	6,593	6,380	6,593	6,593	6,380	6,593	6,381	6,593	6,593	77,627
Series due March 1, 2028 (FMB)	4,983	4,501	4,983	4,822	4,983	4,822	4,983	4,983	4,822	4,983	4,822	4,983	4,822	58,670
Series Due July 15, 2035 (FMB)	1,372	1,240	1,373	1,329	1,373	1,329	1,373	1,373	1,329	1,373	1,329	1,373	1,329	16,166
Series Due June 1, 2036 (FMB)	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	34,667
Series Due July 1, 2037 (FMB)	5,621	5,077	5,621	5,440	5,621	5,440	5,621	5,621	5,440	5,621	5,440	5,621	5,440	66,188
Series Due March 1, 2018 (FMB)	12,963	11,708	12,963	12,545	12,963	12,545	12,963	12,963	12,545	12,963	12,545	12,963	12,545	152,627
Series Due November 1, 2039 (FMB)	1,615	1,459	1,615	1,563	1,615	1,563	1,615	1,615	1,563	1,615	1,563	1,615	1,563	19,016
Series Due August 15, 2015 (FMB)	8,428	7,612	8,428	8,156	8,428	8,156	8,428	8,428	8,156	8,428	8,156	8,428	8,156	99,228
Series Due August 15, 2040 (FMB)	2,001	1,807	2,001	1,936	2,001	1,936	2,001	2,001	1,936	2,001	1,936	2,001	1,936	23,558
Series Due August 15, 2022 (FMB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series Due August 15, 2042 (FMB)	3,869	3,494	3,869	3,744	3,869	3,744	3,869	3,869	3,744	3,869	3,744	3,869	3,744	45,361
Series Due May 15, 2023 (FMB)	10,806	9,760	10,806	10,457	10,806	10,457	10,806	10,806	10,457	10,806	10,457	10,806	10,457	127,229
Other Debt														
Public Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	61,139	55,503	61,140	59,261	63,549	65,282	67,362	67,362	65,282	67,362	65,283	67,362	65,283	765,886

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	2012 December	2013 January	2013 February	2013 March	2013 April	2013 May	2013 June	2013 July	2013 August	2013 September	2013 October	2013 November	2013 December	sum
Amortization of Debt Expense														
First Mortgage Bonds														
Series due July 1, 2025 (FMB)		5,372	4,852	5,372	5,199	5,372	5,199	5,372	5,372	5,199	5,372	5,198	5,372	63,251
Series due March 1, 2028 (FMB)		4,173	3,769	4,173	4,039	4,173	4,039	4,173	4,173	4,039	4,173	4,039	4,173	49,136
Series Due July 15, 2035 (FMB)		8,587	7,755	8,586	8,308	8,586	8,308	8,586	8,586	8,308	8,586	8,308	8,586	101,090
Series Due June 1, 2036 (FMB)		14,873	13,154	14,873	14,300	14,873	14,300	14,873	14,873	14,300	14,873	14,300	14,873	174,470
Series Due July 1, 2037 (FMB)		12,267	11,080	12,267	11,871	12,267	11,871	12,267	12,267	11,871	12,267	11,871	12,267	144,432
Series Due March 1, 2018 (FMB) 2/		41,094	37,117	41,094	39,768	41,094	39,768	41,094	41,094	39,768	41,094	39,768	41,094	483,850
Series Due November 1, 2039 (FMB)		11,771	10,632	11,772	11,392	11,772	11,392	11,772	11,772	11,392	11,772	11,392	11,772	138,604
Series Due August 15, 2015 (FMB)		39,572	35,742	39,572	38,295	39,572	38,295	39,572	39,572	38,295	39,572	38,295	39,572	465,923
Series Due August 15, 2040 (FMB)		8,540	7,714	8,540	8,265	8,540	8,265	8,540	8,540	8,265	8,540	8,265	8,540	100,551
Series Due July 1, 2022 (FMB)		-	-	-	-	13,676	34,341	37,458	38,162	37,212	38,503	37,268	38,510	275,130
Series Due August 15, 2042 (FMB)		26,252	23,712	26,252	25,406	26,252	25,406	26,252	26,252	25,406	26,252	25,406	26,252	309,101
Series Due May 15, 2023 (FMB)		17,753	16,035	17,753	17,180	17,753	17,180	17,753	17,753	17,180	17,753	17,180	17,753	209,024
Other Debt														
Public Improvement		-	-	-	-	-	-	-	-	-	-	-	-	-
Total		190,255	171,562	190,255	184,022	203,931	218,363	227,713	228,417	221,235	228,757	221,289	228,765	2,514,564
Long-term Interest - Hedges reported in Interest - interest adjusted.														
Series due July 1, 2025 (FMB)		1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	1,484,375	17,812,500
Series due March 1, 2028 (FMB)		812,500	812,500	812,500	812,500	812,500	812,500	812,500	812,500	812,500	812,500	812,500	812,500	9,750,000
Series Due July 15, 2035 (FMB)		1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	1,093,750	13,125,000
Series Due June 1, 2036 (FMB)	Hedge adjusted	2,083,323	2,083,322	2,083,322	2,083,323	2,083,323	2,083,323	2,083,322	2,083,322	2,083,323	2,083,321	2,083,323	2,083,323	24,999,869
Series Due July 1, 2037 (FMB)	Hedge adjusted	1,808,333	1,808,333	1,808,333	1,808,334	1,808,333	1,808,334	1,808,333	1,808,333	1,808,334	1,808,333	1,808,334	1,808,333	21,700,000
Series Due March 1, 2018 (FMB) 2/	Hedge adjusted	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	2,187,500	26,249,999
Series Due November 1, 2039 (FMB)	Hedge adjusted	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	1,337,500	16,050,000
Series Due August 15, 2015 (FMB)		406,250	406,250	406,250	406,250	406,250	406,250	406,250	406,250	406,250	406,250	406,250	406,250	4,875,000
Series Due August 15, 2040 (FMB)		1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	1,010,417	12,125,000
Series Due August 15, 2042 (FMB)		-	-	-	-	317,778	866,667	866,667	866,667	866,667	866,667	866,667	866,667	6,384,445
Series Due August 15, 2042 (FMB)	Hedge adjusted	410,413	422,712	410,413	414,513	410,413	414,513	410,413	414,513	410,413	414,513	410,413	414,513	4,953,657
Series Due May 15, 2023 (FMB)		1,543,765	1,531,465	1,543,765	1,539,665	1,543,765	1,539,665	1,543,765	1,543,765	1,539,665	1,543,765	1,539,665	1,543,765	18,496,480
Other Debt														
Public Improvement		-	-	-	-	-	-	-	-	-	-	-	-	-
Total		14,178,126	14,178,124	14,178,125	14,178,126	14,495,904	15,044,793	15,044,791	15,044,792	15,044,793	15,044,790	15,044,793	15,044,792	176,521,949
Total Interest Expense and Hedge, Discount, Expense Amortizations		14,547,397	14,511,660	14,547,398	14,535,485	14,881,261	15,442,514	15,457,745	15,458,450	15,445,386	15,458,790	15,445,441	15,458,797	181,190,323
Loss on Required Debt														
Public Income Notes (PINES) - Due 7/1/2042 - Early call 07/2007		14,797	13,365	14,797	14,320	14,797	14,320	14,797	14,797	14,320	14,797	14,320	14,797	174,223
Becker Bonds Call Premium		43,891	39,644	43,891	42,476	43,891	42,476	43,891	43,891	42,476	43,891	42,476	43,891	516,785
Reacquired Debt - 10 7/8% - Due 5/13		20,371	18,400	20,371	19,714	20,371	19,714	20,371	20,371	19,714	20,371	19,714	20,371	239,853
Reacquired Debt - 11 1/2% - Due 6/15		27,197	24,565	27,197	26,320	27,197	26,320	27,197	27,197	26,320	27,197	26,320	27,197	329,224
Reacquired Debt - 9 1/8% - Due 7/91		22,496	20,319	22,496	21,770	22,496	21,770	22,496	22,496	21,770	22,496	21,770	22,496	264,871
Reacquired Debt - 9 3/8% - Due 6/20		30,784	27,805	30,784	29,791	30,784	29,791	30,784	30,784	29,791	30,784	29,791	30,784	362,457
Reacquired Debt - Ser 1987A - Due 12/05		198	179	198	191	198	191	198	198	191	198	191	198	2,329
Reacquired Debt - Ser 1989A - Due 4/07		3,998	3,611	3,998	3,869	3,998	3,869	3,998	3,998	3,869	3,998	3,869	3,998	47,073
Total		163,732	147,888	163,732	158,451	163,732	158,451	163,732	163,732	158,451	163,732	158,451	163,732	1,927,814

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