

Northern States Power Co. Minnesota
 South Dakota Retail Electric Jurisdiction
 Net Operating Loss (NOL) Related Deferred Tax Asset Balance Reporting
 Current Year Activity and Annual Revenue Requirement
 Dollars in thousands

	(a)	(b)	(c)	(d)	(e)	(f)
	Balance	2013 Annual Activity			Balance	
	2012 Annual Rpt Balance	2013 Sec 172(f) Utilization	2013 Filing of 2012 Return	2013 Annual Amount	2013 Annual Activity	2013 Annual Rpt Balance
(1) EOY Unused Deduction Balance	44,716	(30,919)	(11,579)	14,959	(27,539)	17,178
(2) Tax Effect of Deduction Balance	18,243	(12,635)	(4,736)	6,113	(11,258)	6,985
(3) EOY Unused Credit Balance	1,820	0	0	314	314	2,134
(4) Total (EOY Rate Base)	20,063	(12,635)	(4,736)	6,427	(10,944)	9,119
(5) Composite Tax Rate	0.4080	0.4087	0.4090	0.4087	0.4088	0.4066

South Dakota Retail Jurisdiction

2013 Actual Capital Structure

(6)	Weighted Cost of Debt	2.32%
(7)	Weighted Cost of Equity	5.52%
(8)	Composite Cost of Capital	7.84%
(9)	Current Tax Rate	35.00%
(10)	RR Conversion Factor	1.538462

		(g)	(h)	(i)	(j)	
	NOL/DTA Revenue Requirements	Beginning Balance	2013 Carryback	2013 Prior Year Return	2013 Solved NOL/DTA	
(11)	Row (4) (Reverse sign) NOL Deferred Tax Asset Utilization (Build-up)			12,635	4,736	(6,427)
(12)	Row (4) (Current year amounts 1/2) Impact on Average Rate Base	20,063	(6,318)	(2,368)		3,214
(13)	Row (12) * Composite Cost of Capital (Row (8) Col (b)) Required Operating Income	1,573	(495)	(186)		252
(14)	Row (11) (current year excluding carryback) Deferred Tax			4,736		(6,427)
(15)	Weighted cost of debt * Average RB (Row (6) Col (b) * Row (12)) Debt Return	465	(147)	(55)		75
(16)	(Row (1) - Row (15)) * Composite Tax Rate (Row (24) Col (b)) + Row (3) Current Tax	(163)	51	(4,033)		5,524
(17)	- Row (14) - Row (16) Operating Income	163	(51)	(702)		904
(18)	Row (13) - Row (17) Operating Income Deficiency	1,410	(444)	517		(652)
(19)	Row (18) * RR Conversion Factor Annual Revenue Requirement (Reduction)	2,169	(683)	795		(1,003)
(20)	Col (h) + Col (i) + Col (j) 2013 Net Amount					(890)

RIS COSS Check 2,169,273 (683,078) 795,095 (1,002,505)

PF47-1

Line No.	NSPM - 10 Complete Revenue Requirements by Record Type, Yr 1	Base			Secondary Calculations
		NSPM-NOL 172f Carryback	NSPM-NOL 2012 EOY DTA	NSPM-NOL Closing to Filing	NSPM-NOL/Credits/199
Composite Income Tax Rate					
	State Tax Rate				
	Federal Statutory Tax Rate	35.00%	35.00%	35.00%	35.00%
4	Federal Effective Tax Rate	35.00%	35.00%	35.00%	35.00%
5	Composite Tax Rate	35.00%	35.00%	35.00%	35.00%
6	Revenue Conversion Factor (1/(1-Composite Tax Rate))	1.538462	1.538462	1.538462	1.538462
7					
Weighted Cost of Capital					
9	Cost of Long Term Debt	5.04%	5.04%	5.04%	5.04%
10	Cost of Common Equity	10.25%	10.25%	10.25%	10.25%
11	Ratio of Long Term Debt	46.14%	46.14%	46.14%	46.14%
12	Ratio of Common Equity	53.86%	53.86%	53.86%	53.86%
13	Weighted Cost of LTD	2.32%	2.32%	2.32%	2.32%
14	Weighted Cost of Debt	2.32%	2.32%	2.32%	2.32%
15	Weighted Cost of Equity	5.52%	5.52%	5.52%	5.52%
16	Required Rate of Return	7.84%	7.84%	7.84%	7.84%
17					
Rate Base					
19	Plant Investment				
20	Depreciation Reserve				
21	Net Utility Plant				
22	CWIP				
23					
24	Accumulated Deferred Taxes				
25	DTA - NOL Average Balance	6,317,596	(18,243,000)	2,367,895	(3,056,485)
26	DTA - Federal Tax Credit Average Balance		(1,820,000)		(157,151)
27	Total Accum Deferred Taxes	6,317,596	(20,063,000)	2,367,895	(3,213,637)
28					
29	Cash Working Capital				
30	Materials and Supplies				
31	Fuel Inventory				
32	Non-plant Assets and Liabilities				
33	Customer Advances				
34	Customer Deposits				
35	Prepays and Other				
36	Regulatory Amortizations				
37	Total Other Rate Base Items				
8					
	Total Rate Base	(6,317,596)	20,063,000	(2,367,895)	3,213,637
Operating Revenues					
42	Retail				
43	Interdepartmental				
44	Other Operating Rev - Non-Retail				
45	Total Operating Revenues				
46					
Expenses					
48	Operating Expenses:				
49	Fuel				
50	Deferred Fuel				
51	Variable IA Production Fuel				
52	Fuel & Purchased Energy Total				
53	Production - Fixed				
54	Production - Fixed IA Investment				
55	Production - Variable				
56	Production - Purchased Demand				
57	Production - Other				
58	Production Total				
59	Regional Markets				
60	Transmission IA				
61	Transmission				
62	Distribution				
63	Customer Accounting				
64	Customer Service & Information				
65	Sales, Econ Dvlp & Other				
66	Administrative & General				
67	Total Operating Expenses				
68					
69	Depreciation				
70	Amortization				
71					
72	Taxes:				
73	Property Taxes				
74	ITC Amortization				
75	Deferred Taxes				
76	Deferred Taxes - NOL			4,735,791	(6,112,971)
7	Less Deferred State Tax Credits				
8	Less Deferred Federal Tax Credits				(314,303)
79	Deferred Income Tax & ITC			4,735,791	(6,427,274)
80	Payroll & Other Taxes				
81	Total Taxes Other Than Income			4,735,791	(6,427,274)
82					
Income Before Taxes					
84	Total Operating Revenues				
85	less: Total Operating Expenses				
86	Book Depreciation				

Line No.	NSPM - 10 Complete Revenue Requirements by Record Type, Yr 1 -	Base			Secondary Calculations
		NSPM-NOL 172f Carryback	NSPM-NOL 2012 EOY DTA	NSPM-NOL Closing to Filing	NSPM-NOL/Credits/199
	Amortization				
	Taxes Other than Income			4,735,791	(6,427,274)
9	Total Before Tax Book Income			(4,735,791)	6,427,274
90					
91	Tax Additions				
92	Book Depreciation				
93	Deferred Income Taxes and ITC			4,735,791	(6,427,274)
94	Nuclear Fuel Burn (ex. D&D)				
95	Nuclear Outage Accounting				
96	Avoided Tax Interest				
97	Other Book Additions				
98	Total Tax Additions			4,735,791	(6,427,274)
99					
100	Tax Deductions				
101	Total Rate Base	(6,317,596)	20,063,000	(2,367,895)	3,213,637
102	Weighted Cost of Debt	2.32%	2.32%	2.32%	2.32%
103	Debt Interest Expense	(146,568)	465,462	(54,935)	74,556
104	Nuclear Outage Accounting				
105	Tax Depreciation and Removals				
106	Federal Sec 199 Production Deduction				
107	NOL Generated				(14,958,537)
108	NOL Utilized			11,578,752	
109	Other Tax / Book Timing Differences				
110	Total Tax Deductions	(146,568)	465,462	11,523,817	(14,883,981)
111					
112	State Taxes				
113	State Taxable Income	146,568	(465,462)	(11,523,817)	14,883,981
114	State Income Tax Rate				
115	State Taxes before Credits				
116	Less State Tax Credits				
117	Total State Income Taxes				
118					
119	Federal Taxes				
120	Federal Taxable Income	146,568	(465,462)	(11,523,817)	14,883,981
121	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%
122	Federal Tax before Credits	51,299	(162,912)	(4,033,336)	5,209,393
123	Less Federal Tax Credits				
24	Deferred Federal Tax Credits due to NOL				314,303
5	Total Federal Income Taxes	51,299	(162,912)	(4,033,336)	5,523,696
6					
27	Total Taxes				
128	Total Taxes Other than Income			4,735,791	(6,427,274)
129	Total Federal and State Income Taxes	51,299	(162,912)	(4,033,336)	5,523,696
130	Total Taxes	51,299	(162,912)	702,455	(903,577)
131					
132	Total Operating Revenues				
133	Total Expenses	51,299	(162,912)	702,455	(903,577)
134					
135	AFDC Debt				
136	AFDC Equity				
137					
138	Net Income	(51,299)	162,912	(702,455)	903,577
139					
140	Rate of Return (ROR)				
141	Total Operating Income	(51,299)	162,912	(702,455)	903,577
142	Total Rate Base	(6,317,596)	20,063,000	(2,367,895)	3,213,637
143	ROR (Operating Income / Rate Base)	0.81%	0.81%	0.81%	0.81%
144					
145	Return on Equity (ROE)				
146	Net Operating Income	(51,299)	162,912	(702,455)	903,577
147	Debt Interest (Rate Base * Weighted Cost of Debt)	146,568	(465,462)	54,935	(74,556)
148	Earnings Available for Common	95,269	(302,550)	(647,520)	829,021
149	Equity Rate Base (Rate Base * Equity Ratio)	(3,402,657)	10,805,932	(1,275,348)	1,730,865
150	ROE (earnings for Common / Equity)	(2.80%)	(2.80%)	(2.80%)	(2.80%)
151					
152	Revenue Deficiency				
153	Required Operating Income (Rate Base * Required R	(495,300)	1,572,939	(185,643)	251,949
154	Net Operating Income	(51,299)	162,912	(702,455)	903,577
155	Operating Income Deficiency	(444,001)	1,410,028	516,812	(651,628)
156					
157	Revenue Conversion Factor (1/(1-Composite Tax R	1.538462	1.538462	1.538462	1.538462
158	Revenue Deficiency (Income Deficiency * Convers	(683,078)	2,169,273	795,095	(1,002,505)
159					
160	Total Revenue Requirements				
161	Total Retail Revenues				
162	Revenue Deficiency	(683,078)	2,169,273	795,095	(1,002,505)
63	Total Revenue Requirements	(683,078)	2,169,273	795,095	(1,002,505)
64					
165	Required Rate of Return, Last Authorized	7.78%	7.78%	7.78%	7.78%
166	Revenue Deficiency at Last Authorized	(658,537)	2,091,336	804,293	(1,014,989)
167	Total Revenue Requirements at Last Authorized	(658,537)	2,091,336	804,293	(1,014,989)
168					
169	Difference in Deficiency from Last Authorized to Curre	(24,541)	77,937	(9,198)	12,484

2013 Annual Report COSS - 2012 As Filed COSS

Electric Utility

Tax Depreciation reduction per return

Increased Amount utilized from prior periods

Deferred Tax Net Adjustment				
	Minnesota	North Dakota	South Dakota	Total
Production	73,560,574.48	1,863,254.86	5,132,153.21	80,555,982.55
Transmission	3,404,594.07	(1,162,540.12)	(120,092.83)	2,121,961.12
Distribution	6,475,075.86	511,621.73	959,580.13	7,946,277.72
General	1,074,943.32	(77,308.87)	21,771.84	1,019,406.29
Common	(418,855.66)	(103,696.52)	(55,211.61)	(577,763.79)
Non-Plant	(17,799,992.89)	(1,123,677.84)	(1,202,410.15)	(20,126,080.87)
Total	66,296,339.18	(92,346.76)	4,735,790.59	70,939,783.01

2012 Annual Rpt CTR = 40.9007%				
Tax Depreciation Net Adjustment				
	Minnesota	North Dakota	South Dakota	Total
Production	179,851,627.18	4,555,557.38	12,547,837.11	196,955,021.67
Transmission	8,324,048.41	(2,842,347.73)	(293,620.48)	5,188,080.20
Distribution	15,831,210.38	1,250,887.46	2,346,121.52	19,428,219.36
General	2,628,178.30	(189,016.00)	53,230.97	2,492,393.27
Common	(1,024,079.45)	(253,532.37)	(134,989.41)	(1,412,601.23)
Non-Plant	(43,520,020.17)	(2,747,331.56)	(2,939,827.80)	(49,207,179.52)
Total	162,090,964.66	(225,782.82)	11,578,751.92	173,443,933.75

2012 Actual 2-Factor PTD	
P	0.5881
T	0.1097
D	0.3022
Total	1.0000

Total Company Deferred Taxes by Function				Total Company Tax Depreciation by Function			
Production	Transmission	Distribution	Total	Production	Transmission	Distribution	Total
68,979,564.34	(37,421.77)	1,997,640.44	70,939,783.01	168,651,305.10	(91,494.21)	4,884,122.86	173,443,933.75

Source

Rate\Revenue Analysis\Annual\13Actual\Rb\Mdbs\13plt.mdb

Query: Coss Input Accum Deferred - NOL

0547-4

**172(f) Nuclear Decommissioning- NOL Summary
2013 Carryback Claims**

	Total Company	MN Jur	Nd Jur	SD
	2013	2013	2013	2013
Qualifying Costs				
Spent fuel annual fees:				
Annual Tribal Payment	2,150,000	1,604,427	109,911	109,528
Renewable Development Fund (MN Statute 116C.779)	<u>12,500,000</u>	<u>9,328,062</u>	<u>639,018</u>	<u>636,789</u>
Subtotal- annual fees	14,650,000	10,932,489	748,929	746,317
Cost of Removal	30,017,831	22,400,655	1,534,554	1,529,203
Dry Casks (depreciation)	47,704,783	35,599,454	2,438,735	2,430,232
Monitoring/Security for spent fuel	<u>1,000,000</u>	<u>746,245</u>	<u>51,121</u>	<u>50,943</u>
Total	<u><u>93,372,614</u></u>	<u><u>69,678,842</u></u>	<u><u>4,773,339</u></u>	<u><u>4,756,695</u></u>
Deferred Tax Impact		<u>28,475,025</u>	<u>1,950,677</u>	<u>1,943,876</u>
IA Demand %		84.8812%	84.8812%	84.8812%
MN Jur Demand %		87.9164%	6.0227%	6.0017%
Composite Allocation Factor		74.6245%	5.1121%	5.0943%
		40.8661%	40.8661%	40.8661%

- | | |
|---|------------|
| 1. Correct NOL ADIT SD Ending Balance for carryback | 1,943,876 |
| 2. Above amount times 13/2 (=amount included in filing) | 12,635,192 |
| Overstatement of RB amount (Line 2 - Line 1)/2 | 5,345,658 |

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