

Specification of Average Monthly Coincidental Peak Demands
2014 Calendar Year

Year/Month	Minnesota Company			Wisconsin Company			
	Peak Demand	Transmission	Distribution	Peak Demand	Transmission	Distribution	
			Level Demand			Level Demand	
	MW	Loss Multiplier	MW	MW	Loss Multiplier	MW	
January 2012	A	5,371	0.968	5,199	1,031	0.960	990
February	A	4,967	0.968	4,808	966	0.960	927
March	A	5,020	0.968	4,859	921	0.960	884
April	A	4,710	0.968	4,560	879	0.960	844
May	A	6,067	0.968	5,873	948	0.960	910
June	A	7,409	0.968	7,172	1,149	0.960	1,103
July	A	8,049	0.968	7,791	1,337	0.960	1,283
August	A	7,433	0.968	7,195	1,228	0.960	1,179
September	A	7,005	0.968	6,781	1,220	0.960	1,171
October	A	4,914	0.968	4,756	963	0.960	925
November	A	5,210	0.968	5,043	1,007	0.960	966
December 2012	A	5,382	0.968	5,209	1,027	0.960	986
Total 2012		71,536		69,247	12,675		12,168
January 2013	A	5,559	0.968	5,381	1,112	0.960	1,068
February	A	5,316	0.968	5,146	1,030	0.960	989
March	A	5,012	0.968	4,852	978	0.960	939
April	A	4,762	0.968	4,610	894	0.960	858
May	A	5,433	0.968	5,259	845	0.960	811
June	A	6,898	0.968	6,677	1,111	0.960	1,067
July	F	7,303	0.968	7,069	1,302	0.960	1,250
August	F	7,353	0.968	7,118	1,252	0.960	1,202
September	F	6,670	0.968	6,457	1,186	0.960	1,139
October	F	5,151	0.968	4,986	916	0.960	879
November	F	5,342	0.968	5,171	1,007	0.960	967
December 2013	F	5,462	0.968	5,287	1,064	0.960	1,022
Total 2013		70,262		68,014	12,698		12,190
January 2014	F	5,662	0.968	5,481	1,078	0.960	1,035
February	F	5,536	0.968	5,359	1,064	0.960	1,022
March	F	5,108	0.968	4,944	1,015	0.960	975
April	F	4,920	0.968	4,762	949	0.960	911
May	F	5,871	0.968	5,683	1,039	0.960	997
June	F	7,400	0.968	7,163	1,263	0.960	1,213
July	F	7,335	0.968	7,100	1,327	0.960	1,274
August	F	7,384	0.968	7,147	1,277	0.960	1,226
September	F	6,705	0.968	6,490	1,215	0.960	1,166
October	F	5,183	0.968	5,017	937	0.960	899
November	F	5,389	0.968	5,216	1,037	0.960	996
December 2014	F	5,511	0.968	5,334	1,090	0.960	1,047
Total 2014		72,003		69,698	13,292		12,761
3 Three Total		213,801	0.968	206,960	38,665	0.960	37,119
			2014 CP Ratio	0.847923		2014 CP Ratio	0.152077

A = Actual
F = Forecast

Northern States Power Company
Interchange Agreement
Comparison of Costs - Present and Proposed Rate Schedules
Allocation of 2014 Estimated Demand Costs, at Authorized, and Proposed Peaks

2014 Estimated Demand Costs			
	NSP-M	NSP-W	System
Production	Demand Costs	Demand Costs	Demand Costs
Fixed Charges-Demand	\$801,315,224	\$34,261,493	\$835,576,717
Fixed O & M, Capacity Purchases, & Other	686,003,227	21,188,906	707,192,133
Total	<u>\$1,487,318,451</u>	<u>\$55,450,399</u>	<u>\$1,542,768,850</u>
Transmission			
Fixed Charges	\$305,509,244	\$79,948,316	\$385,457,560
Fixed Portion of O & M	54,474,850	12,897,463	67,372,313
Net Transmission Expense & Wheeling Revenues	(49,853,103)	n/a	(49,853,103)
Total	<u>\$310,130,991</u>	<u>\$92,845,779</u>	<u>\$402,976,770</u>
Total Estimated Demand Costs	<u>\$1,797,449,442</u>	<u>\$148,296,178</u>	<u>\$1,945,745,620</u>

Allocate 2014 System Demand Costs Using 2013 Authorized CP's			
	NSP-M	NSP-W	System
Coincident Peak Ratios (CP's)			
Authorized Transmission Loss Rate	3.20%	4.00%	
Authorized Demand Loss Multipliers	0.968	0.960	
2013 Authorized CP Ratio	0.848812	0.151188	1.000000
Net Costs using 2013 Authorized CP's - Production	\$1,309,520,713	\$233,248,137	\$1,542,768,850
Net Costs - using 2013 Authorized CP's - Transmission	342,051,518	60,925,252	402,976,770
Total Allocated Demand Costs @ Authorized CP's	<u>\$1,651,572,231</u>	<u>\$294,173,389</u>	<u>\$1,945,745,620</u>

Allocate 2014 System Demand Costs Using 2014 Proposed CP's			
	NSP-M	NSP-W	System
Coincident Peak Ratios (CP's)			
Authorized Transmission Loss Rate	3.20%	4.00%	
Authorized Demand Loss Multipliers	0.968	0.960	
2014 Proposed CP Ratio	0.847923	0.152077	1.000000
Net Costs using 2014 Proposed CP's - Production	\$1,308,149,192	\$234,619,658	\$1,542,768,850
Net Costs - using 2014 Proposed CP's - Transmission	341,693,272	61,283,498	402,976,770
Total Allocated Demand Costs @ Proposed CP's	<u>\$1,649,842,463</u>	<u>\$295,903,157</u>	<u>\$1,945,745,620</u>

Change In Cost of Service			
	NSP-M	NSP-W	System
Change in Ratios	(0.000889)	0.000889	(0.000000)
Change in Production	(\$1,371,522)	\$1,371,522	\$0
Change in Transmission	(358,246)	358,246	0
Total Change in Cost of Service	<u>(\$1,729,768)</u>	<u>\$1,729,768</u>	<u>\$0</u>

Northern States Power Company
Interchange Agreement
Comparison of Costs - Present and Proposed Rate Schedules
Effect On 2014 Budget

Coincident Peaks Ratio	NSP(M) 0.847923	NSP(W) 0.152077	Present Depreciation Rates		
			NSP-M	NSP-W	System
Production					
NSP-M to NSP-W	\$233,044,760		\$197,604,012	\$35,440,748	\$233,044,760
NSP-W to NSP-M	\$12,987,567		\$11,012,457	\$1,975,110	\$12,987,567
Total Production	\$246,032,327		\$208,616,469	\$37,415,858	\$246,032,327
Transmission					
NSP-M to NSP-W	\$43,942,268		\$37,259,660	\$6,682,608	\$43,942,268
NSP-W to NSP-M	\$18,501,592		\$15,687,925	\$2,813,667	\$18,501,592
Total Transmission	\$62,443,860		\$52,947,585	\$9,496,275	\$62,443,860
Distribution					
NSP-M to NSP-W	\$76,904		\$65,209	\$11,695	\$76,904
NSP-W to NSP-M	\$4,446		\$3,770	\$676	\$4,446
Total Distribution	\$81,350		\$68,979	\$12,371	\$81,350
General System Control					
NSP-M to NSP-W	\$1,735,463		\$1,471,539	\$263,924	\$1,735,463
NSP-W to NSP-M	\$303,885		\$257,671	\$46,214	\$303,885
Total General System Control	\$2,039,348		\$1,729,210	\$310,138	\$2,039,348
Total	\$310,596,885		\$263,362,243	\$47,234,642	\$310,596,885

Proposed Depreciation Rates					
Coincident Peaks Ratio	NSP(M) 0.847923	NSP(W) 0.152077	Proposed Depreciation Rates		
			NSP-M	NSP-W	System
Production					
NSP-M to NSP-W	\$253,106,339		\$214,614,686	\$38,491,653	\$253,106,339
NSP-W to NSP-M	\$14,057,825		\$11,919,953	\$2,137,872	\$14,057,825
Total Production	\$267,164,164		\$226,534,639	\$40,629,525	\$267,164,164
Transmission					
NSP-M to NSP-W	\$43,942,268		\$37,259,660	\$6,682,608	\$43,942,268
NSP-W to NSP-M	\$16,480,695		\$13,974,360	\$2,506,335	\$16,480,695
Total Transmission	\$60,422,963		\$51,234,020	\$9,188,943	\$60,422,963
Distribution					
NSP-M to NSP-W	\$76,904		\$65,209	\$11,695	\$76,904
NSP-W to NSP-M	\$3,423		\$2,902	\$521	\$3,423
Total Distribution	\$80,327		\$68,111	\$12,216	\$80,327
General System Control					
NSP-M to NSP-W	\$1,837,308		\$1,557,896	\$279,412	\$1,837,308
NSP-W to NSP-M	\$302,759		\$256,716	\$46,043	\$302,759
Total General System Control	\$2,140,067		\$1,814,612	\$325,455	\$2,140,067
Total	\$329,807,521		\$279,651,382	\$50,156,139	\$329,807,521

Change In Cost of Service					
Coincident Peaks Ratio	NSP(M) 0.847923	NSP(W) 0.152077	Change In Cost of Service		
			NSP-M	NSP-W	System
Production					
NSP-M to NSP-W	\$20,061,579		\$17,010,674	\$3,050,905	\$20,061,579
NSP-W to NSP-M	\$1,070,258		\$907,496	\$162,762	\$1,070,258
Total Production	\$21,131,837		\$17,918,170	\$3,213,667	\$21,131,837
Transmission					
NSP-M to NSP-W	\$0		\$0	\$0	\$0
NSP-W to NSP-M	(\$2,020,897)		(\$1,713,565)	(\$307,332)	(\$2,020,897)
Total Transmission	(\$2,020,897)		(\$1,713,565)	(\$307,332)	(\$2,020,897)
Distribution					
NSP-M to NSP-W	\$0		\$0	\$0	\$0
NSP-W to NSP-M	(\$1,023)		(\$868)	(\$155)	(\$1,023)
Total Distribution	(\$1,023)		(\$868)	(\$155)	(\$1,023)
General System Control					
NSP-M to NSP-W	\$101,845		\$86,357	\$15,488	\$101,845
NSP-W to NSP-M	(\$1,126)		(\$955)	(\$171)	(\$1,126)
Total General System Control	\$100,719		\$85,402	\$15,317	\$100,719
Total	\$19,210,636		\$16,289,139	\$2,921,497	\$19,210,636