

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION OF)	
NORTHERN STATES POWER COMPANY	)	SETTLEMENT STIPULATION
A MINNESOTA CORPORATION AND WHOLLY)	
OWNED SUBSIDIARY OF XCEL ENERGY)	
TO ESTABLISH AN ENVIRONMENTAL	)	EL07-026
MEASURES COST RECOVERY TARIFF)	
AND FOR APPROVAL OF 2007 AND 2008)	
PLANNED ENVIRONMENTAL MEASURES)	
TO BE INCLUDED IN RATES)	

On September 7, 2007, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) operating in South Dakota, filed with the South Dakota Public Utilities Commission a petition to establish an environmental cost recovery (ECR) tariff and for approval of 2007 and 2008 planned environmental cost recovery measures to be included in the ECR tariff rate rider applicable to electric service rendered to its customers in South Dakota. The petition consisted of an introduction, explaining that the proposed tariff had been designed in a manner which Xcel believed to be consistent with SDCL Chapter 49-34A, Sections 97 through 100, enacted by the South Dakota Legislature in 2007 as SB 118, and various supporting information pursuant to South Dakota Administrative Rule 20:10:13:26. No testimony of Xcel Energy witnesses was included with the petition.

The Commission issued notice of the filing in its Amended Weekly Filings for the period September 6 through 12, 2007, assigned it to Docket No.EL07-026, and established October 12, 2007, as the intervention deadline. No interventions were filed.

Staff examined the petition in its entirety and entered into a series of written and oral inquiries designed to test the consistency of the proposal with the 2007 legislation and with other relevant ratemaking principles and practices and to fully understand the mechanics of the ECR rider mechanism. Issues were identified and discussed with Company representatives and, as a result of these discussions, Staff and Xcel Energy (the Parties) have been able to resolve all of their differences in this proceeding and have reached agreement in the form of this Settlement

Stipulation, which, if accepted and ordered by the Commission, will determine final rates for service for this proceeding. The term “final rates” in this agreement encompasses both the ECR rate rider mechanism, established to have continuing effect, and the ECR rate per kWh to be implemented as the initial ECR rate rider.

This Settlement Stipulation has been prepared and executed by the Parties for the sole purpose of resolving the above captioned docket. The Parties acknowledge that they may have differing views that justify the end result, which they themselves deem to be just and reasonable, and in light of such differences, the Parties agree that the resolution of any single issue, whether express or implied by the Settlement Stipulation, should not be viewed as precedent setting.

In consideration of the mutual promises contained herein, the Parties agree as follows:

1. Upon execution of this Settlement Stipulation, the Parties shall immediately file this document with the Commission, along with a joint motion asking the Commission to issue an order approving this Settlement Stipulation in its entirety without further condition or modification.

2. This Settlement Stipulation includes all terms of settlement and is submitted with the condition that in the event that the Commission imposes any changes or conditions to this Settlement Stipulation which are unacceptable to any Party, this Settlement Stipulation shall be deemed withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.

3. This Settlement Stipulation shall become binding upon execution by the Parties, provided however, that if this Settlement Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void and privileged. This Settlement Stipulation is intended to relate only to the specific matters referred to herein; no Party waives any right or claim which it may otherwise have with respect to any matter not expressly provided for herein; no Party shall be deemed to have approved, accepted, agreed or consented to any ratemaking principle, or any method of cost of service allocation underlying the provisions of this Settlement Stipulation, or be prejudiced or bound thereby in any other present or future proceeding before the Commission or before the comparable body in any other jurisdiction (including FERC).

4. It is understood that Commission Staff enters into this Settlement Stipulation for the benefit of Xcel Energy's customers in South Dakota affected by this docket.

5. The Parties agree that the Company's attached rate schedule is designed to implement the ECR rate rider upon approval by the Commission based on estimated costs of eligible environmental measures incurred with revenue requirements beginning July 1, 2008, subject to later "true-up" to their actual costs and actual recoveries.

ELEMENTS OF SETTLEMENT STIPULATION

- 1. Eligible Environmental Measures** – Staff's investigations raised concerns about the inclusion of certain facilities, or portions thereof, in the ECR. These concerns focused on Xcel Energy's unexplained allocations to the ECR of the estimated cost of various components of the King Plant rehabilitation project which are not, in their entirety, associated with environmental enhancements. Inasmuch as the rehabilitation project has now been completed and the final actual costs are being determined, Staff requested and the Company has provided an example of how the final costs will be separated into functional sub-components for assignment to the ECR. The Parties agree that the Company will complete this process of determining the final costs of the sub-components of each of the seven environmental measures reflected in the King Plant project and to submit its determinations to the Commission for review and approval at the time the estimated costs reflected in the filing are "trued-up" to the final actual costs.
- 2. Rate of Return** – The Parties agree that the rate of return applicable to the eligible investments reflected in the ECR rider shall be based on the Company's actual capital structure and senior capital costs at the end of the preceding calendar year (December 31, 2007, for the initial ECR rate) and a return on common equity capital (ROE) of 9.50%. The Parties further agree that, if the Company should make a general rate filing utilizing the calendar year 2008 as a test year, the 9.50% ROE reflected in the ECR would be adjusted to reflect the cost of equity capital determined in the general rate case. Any change in the 9.50% ROE would be reflected in the calculation of the overall cost of capital used to calculate the ECR revenue requirements effective July 1, 2008, included in the ECR rider as a "true-up" adjustment and billed to customers prospectively. Xcel

Energy's agreement to the ROE addressed in this Settlement Stipulation shall not prejudice the Company's ability to advocate or receive a different ROE in any future rate proceeding in South Dakota.

3. **Carrying Charge on Over/Under Recoveries** – The Parties agree that a carrying charge calculated at the ECR overall rate of return, adjusted for related Federal income taxes, shall be applied to the monthly over-or under-recoveries determined as the estimated ECR revenues and costs are trued-up to actual revenues and costs.
4. **Rate Design** – The Parties agree that, as proposed in the filing, a single uniform rate per kWh will apply to all customers.
5. **Effective Date** – The Parties agree that, after approval of this Settlement Stipulation by the Commission, the initial ECR rate rider would be implemented with an effective date of July 1, 2008. There would be no retroactive billing to customers; however, revenues not collected from July 1, 2008, to the first billing under the ECR tariff would be recovered by the Company in subsequent “true-ups”.
6. **Annual Reports of South Dakota Jurisdictional Earnings** – The Parties agree that, by June 1 of each year, the Company will file with the Commission a report of its South Dakota jurisdictional earnings (“Cost of Service Study”) for the preceding calendar year showing, among other things, the overall rate of return and ROE earned, and the South Dakota revenue excess or deficiency based on a 9.5% ROE (subject to change as provided for in paragraph 2, above) and 11.25% ROE. The determinations will be presented on an actual and weather-normalized basis and will reflect South Dakota ratemaking practices.

Xcel Energy

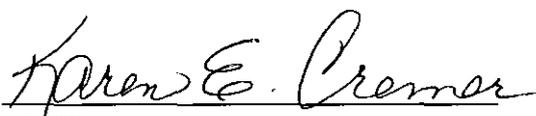
South Dakota Public Utilities Commission

BY: _____


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DATED: 12/16/08

BY: _____


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DATED: 12/17/08

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

ENVIRONMENTAL COST RECOVERY RIDER

Section No. 5
Original Sheet No. 72

APPLICATION

Applicable to bills for electric service provided under the Company's retail rate schedules.

RIDER

There shall be included on each customer's monthly bill an Environmental Cost Recovery (ECR) adjustment, which shall be the ECR Adjustment Factor multiplied by the customer's monthly billing kWh for electric service. This ECR Adjustment shall be calculated before city surcharge and sales tax.

DETERMINATION OF ECR ADJUSTMENT FACTOR

An ECR Adjustment Factor shall be determined by dividing the forecasted balance of the ECR Tracker Account by the forecasted retail sales for the upcoming year. ECR Adjustment Factors shall be rounded to the nearest \$0.000001 per kWh.

The ECR Adjustment Factor may be adjusted annually with approval of the South Dakota Public Utilities Commission (Commission). The ECR factor is:

All Customers	\$0.001255 per kWh
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Recoverable Environmental Measure Costs shall be the annual revenue requirements associated with environmental measures eligible for recovery under SDCL 49-34A-97 that are determined by the Commission to be eligible for recovery under this Environmental Cost Recovery Rider. A standard model will be used to calculate the total forecasted revenue requirements for eligible measures for the designated period. All costs appropriately charged to the Environmental Tracker Account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the Environmental Tracker Account.

Forecasted retail sales shall be the estimated total retail electric sales for the designated recovery period.

TRUE-UP

For each 12-month period ending December 31, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between the ECR Adjustment recoveries and the actual revenue requirements for such period. The true-up adjustment shall be calculated and recorded by no later than May 1 of the following calendar year and will be included in calculating the ECR Adjustment Factor effective with the start of the next designated recovery period.

For example, the Year 1 actual revenue requirements versus ECR Adjustment recoveries would be determined by May 1 of Year 2, at which time the Company would record an adjustment to the Tracker Account. The difference between the Year 1 actual revenue requirements and Year 1 ECR Adjustment recoveries would be included in the calculation of the ECR Adjustment factor filed by September 1 of Year 2 to be effective January 1 of Year 3.

Date Filed:	09-07-07	By: David M. Sparby	Effective Date:
Docket No.	EL07-026	President and CEO of Northern States Power Company, a Minnesota corporation	Order Date:

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Proposed 2009

All customers are subject to the same energy cost per kWh.

Non-demand customers pay the same energy surcharge per kWh.

Demand-billed customers have a portion of the energy charge converted into a demand charge.

<u>Description</u>	<u>All Classes</u>	<u>Description</u>	<u>Demand-Billed</u>
South Dakota Annual Cost (1)	\$2,486,938	Total Factor / kWh	\$0.001255
Forecasted South Dakota MWH (2)	1,981,889	Energy Percent	100.0%
Energy Factor / kWh	\$0.001255	Energy Factor / kWh	\$0.001255
Residential bill impact / Month (3)	\$0.94	Remainder / kWh	\$0.000000
		Load Factor (4)	0.00%
		Remainder / kW (5)	\$0.00

Notes:

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- (1) Annual cost includes true-up adjustment to Tracker Account for the previous year's over- or under-recovery.
(2) Consistent with 2009 Budget sales (June 2008 Vintage) forecast. Includes Interdepartmental sales and reflects calendar month sales.
(3) Assumes 750 kWh per month.
(4) Demand-billed load factor is consistent with the 2009 Budget kW billing demand and is calculated by dividing Total kWh sales by Total KW demand by 730 hours.
(5) Remainder / kWh multiplied by Load Factor multiplied by 730 average hours per month.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
2008/09 Projected Revenue Calculation

	Total Revenue	Retail Sales (3)
Adjustment Factors		
2008 ECR Rates (1)	\$0.001255	
Jan-08 (2)	-	-
Feb-08	-	-
Mar-08	-	-
Apr-08	-	-
May-08	-	-
Jun-08	-	-
Jul-08	-	-
Aug-08	-	-
Sep-08	-	-
Oct-08	-	-
Nov-08	-	-
Dec-08	-	-
Jan-09	216,517	172,523,701
Feb-09	189,126	150,697,784
Mar-09	191,874	152,887,348
Apr-09	184,896	147,327,505
May-09	191,777	152,810,457
Jun-09	225,589	179,752,308
Jul-09	253,072	201,650,890
Aug-09	242,477	193,208,857
Sep-09	206,650	164,661,097
Oct-09	191,369	152,485,651
Nov-09	187,101	149,084,507
Dec-09	206,822	164,798,458
Total Jan-Dec	\$ 2,487,270	1,981,888,563
Rev Requirements	\$2,486,938	
Carryover to 2010	-\$332	
Carryover %	0.0%	

Notes:

- (1) 2008 / 2009 ECR Adjustment Factor is calculated on 2009 Rev Cal
- (2) 2009 estimated revenues to be recovered under the ECR Rate Rider are calculated by multiplying the ECR Adjustment Factor, listed above, by the forecast sales for the month.
- (3) Sales are based on the 2008 and 2009 State of Minnesota budget sales by calendar month.

Northern States Power Company, a Minnesota corporation
 South Dakota Environmental Cost Recovery

ECR Projected Tracker Activity for 2008													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008 Total
King - Production (1)	-	-	-	-	-	-	130,306	136,991	127,154	132,902	132,530	132,159	\$ 792,041
Balance Forward (2)													\$ -
Total Expense (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,306	\$ 136,991	\$ 127,154	\$ 132,902	\$ 132,530	\$ 132,159	\$ 792,041
Revenues (4)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Balance (5)	-	-	-	-	-	-	130,306	136,991	127,154	132,902	132,530	132,159	\$ 792,041
Balance before Carrying Charge (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,306	\$ 268,431	\$ 397,922	\$ 534,289	\$ 671,471	\$ 809,476	\$ 792,041
Carrying Charge (7)	-	-	-	-	-	-	1,135	2,337	3,465	4,652	5,846	7,048	\$ 24,483
Ending Balance (8)	-	-	-	-	-	-	131,440	270,769	401,387	538,941	677,318	816,524	\$ 816,524

Notes:

Notes:

- (1) Project in service July 2007
- (2) Balance Forward is the forecast balance of Total Expense less Revenue Recoveries. Since this is the first year of the SDECR Tracker Account, the balance is zero.
- (3) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (4) Actual revenue recoveries are shown through October 2008.
- (5) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (6) Balance before carrying charge for the month.
- (7) Carrying charge
- (8) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery

SD-ECR Projected Tracker Activity for 2009													
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 Total
King - Production (1)	141,185	140,820	140,455	140,089	139,724	139,359	139,294	138,628	138,263	137,898	137,532	137,167	\$ 1,670,414
Balance Forward (2)	816,524												\$ 816,524
Total Expense (3)	\$ 957,709	\$ 140,820	\$ 140,455	\$ 140,089	\$ 139,724	\$ 139,359	\$ 139,294	\$ 138,628	\$ 138,263	\$ 137,898	\$ 137,532	\$ 137,167	\$ 2,486,938
Revenues (4)	216,517	189,126	191,874	184,896	191,777	225,589	253,072	242,477	206,650	191,369	187,101	206,822	\$ 2,487,270
Balance (5)	741,192	(48,306)	(51,419)	(44,807)	(52,053)	(86,230)	(113,778)	(103,849)	(68,387)	(53,471)	(49,569)	(69,655)	\$ (332)
Balance before Carrying Charge (6)	\$ 741,192	\$ 699,340	\$ 654,010	\$ 614,898	\$ 568,199	\$ 486,916	\$ 377,377	\$ 276,814	\$ 210,837	\$ 159,202	\$ 111,019	\$ 42,331	\$ (332)
Carrying Charge (7)	6,454	6,089	5,694	5,354	4,947	4,240	3,286	2,410	1,836	1,386	967	369	\$ 43,031
Ending Balance (8)	747,646	705,429	659,704	620,252	573,146	491,155	380,663	279,225	212,673	160,588	111,986	42,699	\$ 42,699

Notes:

- (1) Project in service July 2007
- (2) Balance Forward is the forecast total balance of Total Expense less Revenue Recoveries. Since this is the first year of the SDECR Tracker Account, the balance is zero.
- (3) Total Expense represents the total SDECR revenue requirements plus the Balance Forward.
- (4) Actual revenue recoveries are shown through October 2008.
- (5) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.
- (6) Balance before carrying charge for the month.
- (7) Carrying charge
- (8) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Revenue Requirement Summary

King Pollution Control Portion of Project	2007	2008	2009	2010	2011	2012	2013
Rate Base							
Plus CWIP Ending Balance	864,355	1	1	1	1	1	1
Plus Plant In-Service	219,357,443	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	3,320,881	10,842,082	18,369,322	25,896,562	33,423,803	40,951,043	48,478,284
Less Accum Deferred Taxes	(5,225,093)	(1,310,168)	2,104,448	5,036,110	7,519,613	9,589,707	11,276,352
End Of Month Rate Base	222,126,011	211,430,529	200,488,673	190,029,770	180,019,027	170,421,693	161,207,807
Average Rate Base (BOM/EOM)	217,976,517	217,101,876	205,959,601	195,259,221	185,024,398	175,220,360	165,814,750
Calculation of Return							
Plus Debt Return	6,997,046	6,968,970	6,611,303	6,267,821	5,939,283	5,624,574	5,322,653
Plus Equity Return	10,986,016	10,941,935	10,380,364	9,841,065	9,325,230	8,831,106	8,357,063
Total Return	17,983,063	17,910,905	16,991,667	16,108,886	15,264,513	14,455,680	13,679,717
Income Statement Items							
Plus Operating Expense	538,519	4,635,354	6,591,487	6,715,407	6,841,656	6,970,279	7,101,321
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0
Plus Book Depreciation	3,320,881	7,521,201	7,527,240	7,527,240	7,527,240	7,527,240	7,527,240
Plus Deferred Taxes	(819,879)	3,914,925	3,414,616	2,931,663	2,483,502	2,070,094	1,686,645
Plus Current Taxes	6,029,502	2,647,089	2,699,535	2,636,894	2,699,003	2,747,811	2,785,787
Less AFUDC	0	917	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	494	0	0	0	0	0
Less OATT Credit to retail customers (0-Off, 1-On)	0	0	0	0	0	0	0
Less Wind Production Tax Credit (0-Off, 1-On)	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0
Total Income Statement Expense	9,069,024	18,717,158	20,232,878	19,811,204	19,551,402	19,315,425	19,100,993
Total Revenue Requirements	27,052,086	36,628,063	37,224,545	35,920,090	34,815,915	33,771,105	32,780,710
SD Jurisdictional Revenue Requirement	0	792,041	1,670,414	1,611,878	1,562,329	1,515,444	1,471,001

**Northern States Power Company, a Minnesion
South Dakota Environmental Cost Recovery
Revenue Requirements**

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	198,194,590	204,159,571	208,059,930	211,617,868	214,053,750	216,126,837	5,797	5,797	5,797	5,797	5,797	864,355	864,355
Plus Plant In-Service	0	0	239,958	239,958	239,958	0	217,684,226	218,146,809	218,586,170	218,934,494	220,119,889	219,357,443	219,357,443
Less Book Depreciation Reserve	0	0	0	0	0	0	302,339	906,818	1,510,858	2,114,294	2,718,153	3,320,881	3,320,881
Less Accum Deferred Taxes	(4,849,402)	(5,316,323)	(5,782,023)	(6,258,828)	(6,743,934)	(7,234,768)	(7,009,670)	(6,656,774)	(6,302,019)	(5,945,241)	(5,579,556)	(5,225,093)	(5,225,093)
End Of Month Rate Base	203,043,992	209,475,894	214,081,911	218,116,653	221,037,642	223,361,605	224,397,354	223,902,562	223,383,127	222,771,238	222,987,089	222,126,011	222,126,011
Average Rate Base (BOM/EOM)	199,618,122	206,259,943	211,778,902	216,099,282	219,577,148	222,199,623	223,879,480	224,149,958	223,642,845	223,077,183	222,879,164	222,556,550	217,976,517
Calculation of Return													
Plus Debt Return	533,978	551,745	566,509	578,066	587,369	594,384	598,878	599,601	598,245	596,731	596,202	595,339	6,997,046
Plus Equity Return	838,396	866,292	889,471	907,617	922,224	933,238	940,294	941,430	939,300	936,924	936,092	934,738	10,986,016
Total Return	1,372,375	1,418,037	1,455,980	1,485,683	1,509,593	1,527,622	1,539,171	1,541,031	1,537,545	1,533,656	1,532,294	1,530,076	17,983,063
Income Statement Items													
Plus Operating Expense	0	0	0	0	0	29,892	48,435	0	242,567	129,567	51,994	36,062	538,519
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	302,339	604,479	604,041	603,435	603,859	602,728	3,320,881
Plus Deferred Taxes	(444,187)	(466,920)	(465,700)	(476,805)	(485,107)	(490,834)	225,098	352,896	354,755	356,778	365,685	354,463	(819,879)
Plus Gross Up for Income Tax	731,439	761,462	772,032	788,929	802,075	811,607	305,065	216,100	213,717	211,094	204,318	211,666	6,029,502
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	287,251	294,542	306,332	312,124	316,968	350,665	880,937	1,173,475	1,415,080	1,300,875	1,225,855	1,204,919	9,069,024
Total Revenue Requirements	1,659,626	1,712,579	1,762,312	1,797,807	1,826,561	1,878,288	2,420,108	2,714,506	2,952,625	2,834,530	2,758,150	2,734,996	27,052,086
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0

**Northern States Power Company, a Minnesota
South Dakota Environmental Cost Recovery
Revenue Requirements**

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	264,985	264,985	264,985	264,985	678	(232)	1	1	1	1	1	1	1
Plus Plant In-Service	220,469,082	220,545,630	220,658,262	220,912,420	220,949,354	220,962,675	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	3,945,111	4,571,058	5,197,279	5,824,032	6,451,210	7,078,461	7,705,732	8,333,002	8,960,272	9,587,542	10,214,812	10,842,082	10,842,082
Less Accum Deferred Taxes	(4,898,444)	(4,572,381)	(4,246,256)	(3,919,913)	(3,593,813)	(3,267,572)	(2,941,338)	(2,615,104)	(2,288,870)	(1,962,636)	(1,636,402)	(1,310,168)	(1,310,168)
End Of Month Rate Base	221,687,400	220,811,938	219,972,224	219,273,286	218,092,636	217,151,553	216,198,049	215,244,545	214,291,041	213,337,537	212,384,033	211,430,529	211,430,529
Average Rate Base (BOM/EOM)	221,906,705	221,249,669	220,392,081	219,622,755	218,682,961	217,622,095	216,674,801	215,721,297	214,767,793	213,814,289	212,860,785	211,907,281	217,101,876
Calculation of Return													
Plus Debt Return	593,600	591,843	589,549	587,491	584,977	582,139	579,605	577,054	574,504	571,953	569,403	566,852	6,968,970
Plus Equity Return	932,008	929,249	925,647	922,416	918,468	914,013	910,034	906,029	902,025	898,020	894,015	890,011	10,941,935
Total Return	1,525,609	1,521,091	1,515,196	1,509,906	1,503,445	1,496,152	1,489,639	1,483,084	1,476,529	1,469,973	1,463,418	1,456,863	17,910,905
Income Statement Items													
Plus Operating Expense	84,498	554,960	449,164	213,769	629,535	369,388	328,621	490,636	273,324	413,819	413,819	413,819	4,635,354
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	624,230	625,947	626,221	626,754	627,178	627,251	627,270	627,270	627,270	627,270	627,270	627,270	7,521,201
Plus Deferred Taxes	326,649	326,063	326,125	326,343	326,100	326,241	326,234	326,234	326,234	326,234	326,234	326,234	3,914,925
Plus Gross Up for Income Tax	230,229	229,296	227,475	225,728	224,175	221,656	219,697	217,720	215,743	213,767	211,790	209,813	2,647,089
Less AFUDC	0	0	0	0	913	3	0	0	0	0	0	0	917
Less AFUDC Gross Up for Income Tax	0	0	0	0	492	2	0	0	0	0	0	0	494
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,265,605	1,736,266	1,628,985	1,392,594	1,805,582	1,544,532	1,501,823	1,661,860	1,442,571	1,581,090	1,579,113	1,577,136	18,717,158
Total Revenue Requirements	2,791,214	3,257,357	3,144,180	2,902,500	3,309,027	3,040,684	2,991,462	3,144,944	2,919,100	3,051,063	3,042,531	3,033,999	36,628,063
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	130,306	136,991	127,154	132,902	132,530	132,159	792,041

Northern States Power Company, a Minnes-
South Dakota Environmental Cost Recovery
Revenue Requirements

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	1	1	1	1	1	1	1	1	1	1	1	1	1
Plus Plant In-Service	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	11,469,352	12,096,622	12,723,892	13,351,162	13,978,432	14,605,702	15,232,972	15,860,242	16,487,512	17,114,782	17,742,052	18,369,322	18,369,322
Less Accum Deferred Taxes	(1,025,617)	(741,066)	(456,514)	(171,963)	112,588	397,140	681,691	966,242	1,250,794	1,535,345	1,819,896	2,104,448	2,104,448
End Of Month Rate Base	210,518,708	209,606,887	208,695,065	207,783,244	206,871,422	205,959,601	205,047,780	204,135,958	203,224,137	202,312,316	201,400,494	200,488,673	200,488,673
Average Rate Base (BOM/EOM)	210,974,619	210,062,797	209,150,976	208,239,154	207,327,333	206,415,512	205,503,690	204,591,869	203,680,048	202,768,226	201,856,405	200,944,584	205,959,601
Calculation of Return													
Plus Debt Return	564,357	561,918	559,479	557,040	554,601	552,161	549,722	547,283	544,844	542,405	539,966	537,527	6,611,303
Plus Equity Return	886,093	882,264	878,434	874,604	870,775	866,945	863,115	859,286	855,456	851,627	847,797	843,967	10,380,364
Total Return	1,450,451	1,444,182	1,437,913	1,431,644	1,425,375	1,419,107	1,412,838	1,406,569	1,400,300	1,394,032	1,387,763	1,381,494	16,991,667
Income Statement Items													
Plus Operating Expense	548,732	548,732	548,732	548,732	548,732	548,732	555,432	548,732	548,732	548,732	548,732	548,732	6,591,487
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	7,527,240
Plus Deferred Taxes	284,551	284,551	284,551	284,551	284,551	284,551	284,551	284,551	284,551	284,551	284,551	284,551	3,414,616
Plus Gross Up for Income Tax	235,256	233,384	231,512	229,641	227,769	225,897	224,025	222,154	220,282	218,410	216,538	214,667	2,699,535
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,695,810	1,693,938	1,692,066	1,690,194	1,688,322	1,686,451	1,691,279	1,682,707	1,680,835	1,678,964	1,677,092	1,675,220	20,232,878
Total Revenue Requirements	3,146,260	3,138,120	3,129,979	3,121,838	3,113,698	3,105,557	3,104,117	3,089,276	3,081,136	3,072,995	3,064,855	3,056,714	37,224,545
SD Jurisdictional Revenue Requirement	141,185	140,820	140,455	140,089	139,724	139,359	139,294	138,628	138,263	137,898	137,532	137,167	1,670,414

Northern States Power Company, a Minnes
South Dakota Environmental Cost Recovery
Revenue Requirements

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	1	1	1	1	1	1	1	1	1	1	1	1	1
Plus Plant In-Service	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	18,996,592	19,623,862	20,251,132	20,878,402	21,505,672	22,132,942	22,760,212	23,387,482	24,014,752	24,642,022	25,269,292	25,896,562	25,896,562
Less Accum Deferred Taxes	2,348,753	2,593,058	2,837,363	3,081,669	3,325,974	3,570,279	3,814,584	4,058,889	4,303,195	4,547,500	4,791,805	5,036,110	5,036,110
End Of Month Rate Base	199,617,098	198,745,522	197,873,947	197,002,372	196,130,797	195,259,221	194,387,646	193,516,071	192,644,495	191,772,920	190,901,345	190,029,770	190,029,770
Average Rate Base (BOM/EOM)	200,052,885	199,181,310	198,309,735	197,438,159	196,566,584	195,695,009	194,823,434	193,951,858	193,080,283	192,208,708	191,337,133	190,465,557	195,259,221
Calculation of Return													
Plus Debt Return	535,141	532,810	530,479	528,147	525,816	523,484	521,153	518,821	516,490	514,158	511,827	509,495	6,267,821
Plus Equity Return	840,222	836,562	832,901	829,240	825,580	821,919	818,258	814,598	810,937	807,277	803,616	799,955	9,841,065
Total Return	1,375,364	1,369,372	1,363,379	1,357,387	1,351,395	1,345,403	1,339,411	1,333,419	1,327,427	1,321,435	1,315,443	1,309,451	16,108,886
Income Statement Items													
Plus Operating Expense	559,048	559,048	559,048	559,048	559,048	559,048	565,874	559,048	559,048	559,048	559,048	559,048	6,715,407
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	7,527,240
Plus Deferred Taxes	244,305	244,305	244,305	244,305	244,305	244,305	244,305	244,305	244,305	244,305	244,305	244,305	2,931,663
Plus Gross Up for Income Tax	229,081	227,383	225,685	223,987	222,288	220,590	218,892	217,194	215,496	213,798	212,099	210,401	2,636,894
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,659,705	1,658,007	1,656,308	1,654,610	1,652,912	1,651,214	1,656,342	1,647,818	1,646,119	1,644,421	1,642,723	1,641,025	19,811,204
Total Revenue Requirements	3,035,068	3,027,378	3,019,688	3,011,998	3,004,307	2,996,617	2,995,753	2,981,237	2,973,546	2,965,856	2,958,166	2,950,476	35,920,090
SD Jurisdictional Revenue Requirement	136,196	135,851	135,505	135,160	134,815	134,470	134,431	133,780	133,435	133,090	132,745	132,400	1,611,878

Northern States Power Company, a Minnes-
South Dakota Environmental Cost Recovery
Revenue Requirements

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	1	1	1	1	1	1	1	1	1	1	1	1	1
Plus Plant In-Service	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	26,523,833	27,151,103	27,778,373	28,405,643	29,032,913	29,660,183	30,287,453	30,914,723	31,541,993	32,169,263	32,796,533	33,423,803	33,423,803
Less Accum Deferred Taxes	5,243,069	5,450,027	5,656,986	5,863,945	6,070,903	6,277,862	6,484,820	6,691,779	6,898,737	7,105,696	7,312,654	7,519,613	7,519,613
End Of Month Rate Base	189,195,541	188,361,313	187,527,084	186,692,855	185,858,627	185,024,398	184,190,170	183,355,941	182,521,713	181,687,484	180,853,256	180,019,027	180,019,027
Average Rate Base (BOM/EOM)	189,612,655	188,778,427	187,944,198	187,109,970	186,275,741	185,441,513	184,607,284	183,773,056	182,938,827	182,104,598	181,270,370	180,436,141	185,024,398
Calculation of Return													
Plus Debt Return	507,214	504,982	502,751	500,519	498,288	496,056	493,824	491,593	489,361	487,130	484,898	482,667	5,939,283
Plus Equity Return	796,373	792,869	789,366	785,862	782,358	778,854	775,351	771,847	768,343	764,839	761,336	757,832	9,325,230
Total Return	1,303,587	1,297,852	1,292,116	1,286,381	1,280,646	1,274,910	1,269,175	1,263,440	1,257,704	1,251,969	1,246,234	1,240,498	15,264,513
Income Statement Items													
Plus Operating Expense	569,558	569,558	569,558	569,558	569,558	569,558	576,513	569,558	569,558	569,558	569,558	569,558	6,841,656
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	7,527,240
Plus Deferred Taxes	206,959	206,959	206,959	206,959	206,959	206,959	206,959	206,959	206,959	206,959	206,959	206,959	2,483,502
Plus Gross Up for Income Tax	233,857	232,231	230,606	228,980	227,355	225,730	224,104	222,479	220,853	219,228	217,603	215,977	2,699,003
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,637,644	1,636,018	1,634,393	1,632,767	1,631,142	1,629,517	1,634,846	1,626,266	1,624,640	1,623,015	1,621,390	1,619,764	19,551,402
Total Revenue Requirements	2,941,231	2,933,870	2,926,509	2,919,149	2,911,788	2,904,427	2,904,021	2,889,706	2,882,345	2,874,984	2,867,623	2,860,263	34,815,915
SD Jurisdictional Revenue Requirement	131,985	131,654	131,324	130,994	130,664	130,333	130,315	129,673	129,342	129,012	128,682	128,351	1,562,329

**Northern States Power Company, a Minnes-
South Dakota Environmental Cost Recovery
Revenue Requirements**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	1	1	1	1	1	1	1	1	1	1	1	1	1
Plus Plant In-Service	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	34,051,073	34,678,343	35,305,613	35,932,883	36,560,153	37,187,423	37,814,693	38,441,963	39,069,233	39,696,503	40,323,773	40,951,043	40,951,043
Less Accum Deferred Taxes	7,692,120	7,864,628	8,037,136	8,209,644	8,382,152	8,554,660	8,727,168	8,899,675	9,072,183	9,244,691	9,417,199	9,589,707	9,589,707
End Of Month Rate Base	179,219,249	178,419,471	177,619,693	176,819,916	176,020,138	175,220,360	174,420,582	173,620,804	172,821,026	172,021,248	171,221,470	170,421,693	170,421,693
Average Rate Base (BOM/EOM)	179,619,138	178,819,360	178,019,582	177,219,804	176,420,027	175,620,249	174,820,471	174,020,693	173,220,915	172,421,137	171,621,359	170,821,581	175,220,360
Calculation of Return													
Plus Debt Return	480,481	478,342	476,202	474,063	471,924	469,784	467,645	465,505	463,366	461,227	459,087	456,948	5,624,574
Plus Equity Return	754,400	751,041	747,682	744,323	740,964	737,605	734,246	730,887	727,528	724,169	720,810	717,451	8,831,106
Total Return	1,234,882	1,229,383	1,223,885	1,218,386	1,212,888	1,207,389	1,201,891	1,196,392	1,190,894	1,185,395	1,179,897	1,174,398	14,455,680
Income Statement Items													
Plus Operating Expense	580,266	580,266	580,266	580,266	580,266	580,266	587,351	580,266	580,266	580,266	580,266	580,266	6,970,279
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	7,527,240
Plus Deferred Taxes	172,508	172,508	172,508	172,508	172,508	172,508	172,508	172,508	172,508	172,508	172,508	172,508	2,070,094
Plus Gross Up for Income Tax	237,555	235,997	234,438	232,880	231,322	229,763	228,205	226,647	225,089	223,530	221,972	220,414	2,747,811
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,617,599	1,616,041	1,614,482	1,612,924	1,611,366	1,609,807	1,615,334	1,606,691	1,605,133	1,603,574	1,602,016	1,600,458	19,315,425
Total Revenue Requirements	2,852,481	2,845,424	2,838,367	2,831,310	2,824,253	2,817,197	2,817,225	2,803,083	2,796,026	2,788,970	2,781,913	2,774,856	33,771,105
SD Jurisdictional Revenue Requirement	128,002	127,686	127,369	127,052	126,736	126,419	126,420	125,786	125,469	125,152	124,836	124,519	1,515,444

Northern States Power Company, a Minnes-
South Dakota Environmental Cost Recovery
Revenue Requirements

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Annual
King-Prod													
Rate Base													
Plus CWIP Ending Balance	1	1	1	1	1	1	1	1	1	1	1	1	1
Plus Plant In-Service	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442	220,962,442
Less Book Depreciation Reserve	41,578,313	42,205,583	42,832,853	43,460,123	44,087,393	44,714,663	45,341,934	45,969,204	46,596,474	47,223,744	47,851,014	48,478,284	48,478,284
Less Accum Deferred Taxes	9,730,260	9,870,814	10,011,368	10,151,922	10,292,475	10,433,029	10,573,583	10,714,137	10,854,690	10,995,244	11,135,798	11,276,352	11,276,352
End Of Month Rate Base	169,653,869	168,886,045	168,118,221	167,350,397	166,582,574	165,814,750	165,046,926	164,279,102	163,511,279	162,743,455	161,975,631	161,207,807	161,207,807
Average Rate Base (BOM/EOM)	170,037,781	169,269,957	168,502,133	167,734,309	166,966,486	166,198,662	165,430,838	164,663,014	163,895,190	163,127,367	162,359,543	161,591,719	165,814,750
Calculation of Return													
Plus Debt Return	454,851	452,797	450,743	448,689	446,635	444,581	442,527	440,474	438,420	436,366	434,312	432,258	5,322,653
Plus Equity Return	714,159	710,934	707,709	704,484	701,259	698,034	694,810	691,585	688,360	685,135	681,910	678,685	8,357,063
Total Return	1,169,010	1,163,731	1,158,452	1,153,173	1,147,895	1,142,616	1,137,337	1,132,058	1,126,779	1,121,501	1,116,222	1,110,943	13,679,717
Income Statement Items													
Plus Operating Expense	591,175	591,175	591,175	591,175	591,175	591,175	598,393	591,175	591,175	591,175	591,175	591,175	7,101,321
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	627,270	7,527,240
Plus Deferred Taxes	140,554	140,554	140,554	140,554	140,554	140,554	140,554	140,554	140,554	140,554	140,554	140,554	1,686,645
Plus Gross Up for Income Tax	240,377	238,881	237,385	235,889	234,393	232,897	231,401	229,905	228,409	226,913	225,417	223,921	2,785,787
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	1,599,376	1,597,880	1,596,384	1,594,888	1,593,392	1,591,896	1,597,618	1,588,904	1,587,408	1,585,912	1,584,416	1,582,920	19,100,993
Total Revenue Requirements	2,768,386	2,761,611	2,754,836	2,748,061	2,741,287	2,734,512	2,734,955	2,720,962	2,714,187	2,707,412	2,700,638	2,693,863	32,780,710
SD Jurisdictional Revenue Requirement	124,229	123,925	123,621	123,316	123,012	122,708	122,728	122,100	121,796	121,492	121,188	120,884	1,471,001

Monthly Expenditure Forecast of Pollution Control Chemicals at King Plant
Using the Forecast from October 2008

Bus Unit Full Desc	Posting Full Acct Desc	Jan-2007	Feb-2007	Mar-2007	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	May-2008	Jun-2008	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Recorded in FERC 502	714070 Materials - Chemical	-	-	-	-	-	29,892	48,435	-	242,567	129,567	51,994	36,062	84,498	554,960	449,164	213,769	629,535	369,388	328,621	490,636	273,324	413,819	413,819	413,819
Allocated Using Demand	714070 Materials - Chemical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	714075 Materials - Lime	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	29,892	48,435	-	242,567	129,567	51,994	36,062	84,498	554,960	449,164	213,769	629,535	369,388	328,621	490,636	273,324	413,819	413,819	413,819

Inflation Rates (2008 Corporate Assumptions Memo)
 Labor 3.34%
 Non-Labor 1.17%
 Weighted 1.88%

Bus Unit Full Desc	Posting Full Acct Desc	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Recorded in FERC 502	714070 Materials - Chemical	382,337	382,337	382,337	382,337	382,337	382,337	382,337	382,337	382,337	382,337	382,337	382,337	389,525	389,525	389,525	389,525	389,525	389,525	389,525	389,525	389,525	389,525	389,525	389,525
Allocated Using Demand	714070 Materials - Chemical	-	-	-	-	-	-	6,700	-	-	-	-	-	-	-	-	-	-	-	-	6,826	-	-	-	-
	714075 Materials - Lime	166,395	166,395	166,395	166,395	166,395	166,395	166,395	166,395	166,395	166,395	166,395	166,395	169,523	169,523	169,523	169,523	169,523	169,523	169,523	169,523	169,523	169,523	169,523	169,523
Total Expenses		548,732	548,732	548,732	548,732	548,732	548,732	555,432	548,732	548,732	548,732	548,732	548,732	559,048	559,048	559,048	559,048	559,048	559,048	559,048	565,874	559,048	559,048	559,048	559,048

Bus Unit Full Desc	Posting Full Acct Desc	Jan-2011	Feb-2011	Mar-2011	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Recorded in FERC 502	714070 Materials - Chemical	396,848	396,848	396,848	396,848	396,848	396,848	396,848	396,848	396,848	396,848	396,848	396,848	404,309	404,309	404,309	404,309	404,309	404,309	404,309	404,309	404,309	404,309	404,309	404,309
Allocated Using Demand	714070 Materials - Chemical	-	-	-	-	-	-	6,954	-	-	-	-	-	-	-	-	-	-	-	-	7,085	-	-	-	-
	714075 Materials - Lime	172,710	172,710	172,710	172,710	172,710	172,710	172,710	172,710	172,710	172,710	172,710	172,710	175,957	175,957	175,957	175,957	175,957	175,957	175,957	175,957	175,957	175,957	175,957	175,957
Total Expenses		569,558	569,558	569,558	569,558	569,558	569,558	576,513	569,558	569,558	569,558	569,558	569,558	580,266	580,266	580,266	580,266	580,266	580,266	580,266	587,351	580,266	580,266	580,266	580,266

Bus Unit Full Desc	Posting Full Acct Desc	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Dec-2014	Dec-2015	Dec-2016	Dec-2017	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022	Dec-2023	Dec-2024	Dec-2025
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec
Recorded in FERC 502	714070 Materials - Chemical	411,910	411,910	411,910	411,910	411,910	411,910	411,910	411,910	411,910	411,910	411,910	411,910	5,035,847	5,130,521	5,226,975	5,325,242	5,425,356	5,527,353	5,631,267	5,737,135	5,844,993	5,954,879	6,066,831	6,180,887
Allocated Using Demand	714070 Materials - Chemical	-	-	-	-	-	-	7,218	-	-	-	-	-	7,354	7,492	7,633	7,777	7,923	8,072	8,223	8,378	8,536	8,696	8,859	9,026
	714075 Materials - Lime	179,265	179,265	179,265	179,265	179,265	179,265	179,265	179,265	179,265	179,265	179,265	179,265	2,191,625	2,232,827	2,274,804	2,317,571	2,361,141	2,405,530	2,450,754	2,496,828	2,543,769	2,591,592	2,640,314	2,689,952
Total Expenses		591,175	591,175	591,175	591,175	591,175	591,175	598,393	591,175	591,175	591,175	591,175	591,175	7,234,825	7,370,840	7,509,412	7,650,589	7,794,420	7,940,955	8,090,245	8,242,342	8,397,298	8,555,167	8,716,004	8,879,865

Bus Unit Full Desc	Posting Full Acct Desc	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034	Dec-2035	Dec-2036	Dec-2037	Dec-2038	Dec-2039
		Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec
Recorded in FERC 502	714070 Materials - Chemical	6,297,088	6,415,473	6,536,084	6,658,962	6,784,151	6,911,693	7,041,633	7,174,016	7,308,887	7,446,294	7,586,284	7,728,907	7,874,210	8,022,245
Allocated Using Demand	714070 Materials - Chemical	9,196	9,369	9,545	9,724	9,907	10,093	10,283	10,476	10,673	10,874	11,078	11,287	11,499	11,715
	714075 Materials - Lime	2,740,523	2,792,044	2,844,535	2,898,012	2,952,495	3,008,002	3,064,552	3,122,166	3,180,862	3,240,663	3,301,587	3,363,657	3,426,894	3,491,319
Total Expenses		9,046,806	9,216,886	9,390,164	9,566,699	9,746,553	9,929,788	10,116,468	10,306,658	10,500,423	10,697,831	10,898,950	11,103,850	11,312,603	11,525,279

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Total Project vs. South Dakota Pollution Control Components

Pollution Control Measure Descriptions	Total Capital Expenditures	Pollution Control %	Total Included in ECR
<u>Measure 1 - AQCS System</u>			
AQCS System	\$34,622,650	100%	\$34,622,650
AQCS Mechanical Construction	\$46,335,247	99%	\$46,224,323
Measure 1 - AQCS System Total	\$80,957,897		\$80,846,973
<u>Measure 2 - SCR System</u>			
SCR System	\$21,752,331	100%	\$21,752,331
SCR System (Ductwork Sleeves)	\$740,415	100%	\$740,415
Ammonia System	\$2,080,187	100%	\$2,080,187
Structural Steel	\$2,849,660	50%	\$1,424,830
Ductwork & Expansion Joints	\$2,398,004	67%	\$1,606,663
SCR Mechanical Construction	\$33,288,061	82%	\$27,244,075
Measure 2 SCR System Total	\$63,108,658		\$54,848,501
<u>Measure 3 - BOP Equipment</u>			
Bulk Material Handling System	\$4,395,217	100%	\$4,395,217
Insulation & Lagging	\$19,307,181	59%	\$11,387,590
Fire Protection	\$3,084,257	25%	\$770,505
BOP Equipment	\$9,068,853	13%	\$1,214,171
BOP Mechanical Construction	\$17,252,065	39%	\$6,653,350
Measure 3 - BOP Equipment Total	\$53,107,573		\$24,420,833
<u>Measure 4 - Substructures Construction</u>			
Substructures Construction	\$26,125,996	79%	\$20,728,991
Measure 4 - Substructures Construction Total	\$26,125,996		\$20,728,991
<u>Measure 5 - Electrical</u>			
Electrical Equipment Upgrades	\$4,277,247	97%	\$4,152,238
DCS & PLC's	\$5,584,524	32%	\$1,795,016
AQC/SCR Electrical Installation	\$9,945,870	100%	\$9,945,870
DCS / BOP Electrical Installation	\$12,087,580	44%	\$5,291,013
Measure 5 - Electrical Total	\$31,895,221		\$21,184,137
<u>Measure 6 - Cooling Tower Modifications</u>			
Cooling Tower Modifications	\$8,310,265	100%	\$8,310,265
Cooling Tower System Upgrades	\$2,754,009	100%	\$2,754,009
Measure 6 - Cooling Tower Modifications	\$11,064,274		\$11,064,274
<u>Measure 7 - Pre-Engineered Buildings</u>			
Pre-Engineered Buildings	\$5,208,259	67%	\$3,470,885
Measure 7 - Pre-Engineered Buildings Total	\$5,208,259		\$3,470,885
Total Pollution Control Capital Equipment	\$271,467,878	79.78%	\$216,564,595

Northern States Power Company, a Minnesota corporation

South Dakota Environmental Cost Recovery

Total Project vs. South Dakota Pollution Control Components (continued)

Project Description	Total Capital Expenditures	Pollution Control %	Total Included in ECR
<u>Boiler</u>			
Boiler	\$40,649,078	0%	\$0
Boiler Construction (less Precipitator Stiffening	\$57,831,806	0%	\$0
ID Fans	\$5,318,296	0%	\$0
Site Development	\$4,700,322	0%	\$0
BOP Modifications / Other	\$3,969,789	0%	\$0
Boiler Total	\$112,469,291		\$0
<u>Electrical</u>			
345 kV Transmission Upgrade	\$3,124,690	0%	\$0
Misc. Electrical	\$976,293	0%	\$0
Boiler Total	\$4,100,983		\$0
<u>Generator</u>			
Exciter Construction	\$558,477	0%	\$0
Exciter Replacement	\$1,772,608	0%	\$0
Boiler Total	\$2,331,085		\$0
<u>Turbine</u>			
Canal Modifications	\$1,043,758	0%	\$0
Steam Turbine	\$33,962,012	0%	\$0
Steam Turbine Construction	\$11,006,462	0%	\$0
Boiler Total	\$46,012,232		\$0
Totals (less AFUDC/Retention/Demo)	\$436,381,469	49.63%	\$216,564,595
	Total Capital Expenditures	Pollution Control %	Total Included in ECR

Northern States Power Company, a Minnesota corporation
South Dakota Environmental Cost Recovery
Cost Recovery Assumptions

Weighted Cost of Capital

	<u>Rate</u>	<u>Ratio</u>	<u>Weighted Cost</u>
Long Term Debt	6.83%	46.96%	3.21%
Preferred Stock	0.00%	0.00%	0.00%
Short Term Debt	0.00%	0.00%	0.00%
Common Equity	9.50%	53.04%	5.04%
Required Rate of Return			8.25%

Composite Income Tax Rates

	<u>2008</u>	<u>2009</u>
State of South Dakota Tax rate	0.00%	0.00%
Federal Statutory Tax rate	35.00%	35.00%
Federal Effective Tax Rate (1-State Rate * Fed Rate)	35.00%	35.00%
Total South Dakota Composite Tax Rate	35.0000%	35.0000%
Total Corporate Composite Tax Rate (2009 Forecast)	40.8438%	40.8438%

State of SD Demand Factor (1)

36 Month Coincident Peak Demand Allocator	4.3559%	4.4874%
State of South Dakota Retail Demand Allocator	84.4383%	83.8829%
	5.1587%	5.3496%

Composite Depreciation Rates

Depreciation Rate (based on 30 yr remaining life)	3.3333%	3.3333%
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Property Tax Rates

Property Tax Rate: MN State Electric Personal Property Tax Rate	1.620%	1.620%
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OATT Revenue Credit for Non-Retail Transmission Recovery

	22.3200%	22.3200%
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(1) Calculation of State of South Dakota - Demand Allocators

<u>2008 Demand Allocators</u>	<u>Total</u>	<u>Minnesota Company</u>	<u>Minnesota</u>	<u>N Dakota</u>	<u>S Dakota</u>	<u>Wholesale</u>	<u>WI Co</u>
36 Month Coin Peak Demand	100.0000%	84.4383%					15.5617%
12 Month Jurisdictional Demand	100.0000%		87.1423%	5.7820%	5.1587%	1.9170%	
2008 State of SD Demand Factor					4.3559%		
<u>2009 Demand Allocators</u>	<u>Total</u>	<u>Minnesota Company</u>	<u>Minnesota</u>	<u>N Dakota</u>	<u>S Dakota</u>	<u>Wholesale</u>	<u>WI Co</u>
36 Month Coin Peak Demand	100.0000%	83.8829%					16.1171%
12 Month Jurisdictional Demand	100.0000%		87.0730%	5.5128%	5.3496%	2.0646%	
2009 State of SD Demand Factor					4.4874%		

Cost of Capital**

	<u>Annual</u>		
Weighted Cost of Debt	3.21%		
Weighted Cost of Equity	5.04%		
Total Cost of Capital	8.25%		
Tax Gross-up	2.7138%	Monthly***	Composite Tax Rate - SD 35.00%
Cost of Capital Including Taxes	10.9638%	0.8707%	

***The Annual Cost of Capital was adjusted for monthly compounding.

Proposed Environmental Cost Recovery Customer Notice

To Be Included On Monthly Bill

Xcel Energy filed, pursuant to South Dakota Codified Law Chapter 49-34A, Sections 97 through 100, for approval of tariff mechanisms for automatic adjustment of charges for jurisdictional costs of new environmental measures. The Environmental Cost Recovery Adjustment recovers the costs and expenses of environmental measures.