

Northern States Power Company, a Minnesota corporation
Electric Utility- State of South Dakota
Depreciation Expense
Year Ended December 31, 2010

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Steam								
311	Structures & Improvements	292,929,353	*	4,860,791		4,860,791		
312	Boiler Plant Equipment	1,262,563,194	*	40,561,522		40,561,522		
314	Turbogenerator Units	282,757,490	*	10,141,528		10,141,528		
315	Accessory Electric Equipment	160,599,110	*	5,549,707		5,549,707		
316	Miscellaneous Power Plant Equipment	47,290,445	*	1,075,280		1,075,280		
		2,046,139,592		62,188,828		62,188,828		
	Difference Between Financial View and SD Rules					1,978,206		64,167,034
Nuclear								
321	Structures & Improvements	371,267,641	*	5,436,830		5,436,830		
322	Reactor Plant Equipment	902,511,557	*	19,095,143		19,095,143		
323	Turbogenerator Units	279,374,531	*	6,647,106		6,647,106		
324	Accessory Electric Equipment	239,052,963	*	3,427,162		3,427,162		
325	Miscellaneous Power Plant Equipment	126,300,968	*	1,573,204		1,573,204		
		1,918,507,660		36,179,445		36,179,445		
	Difference Between Financial View and SD Rules					-8,691,440		27,488,005
Hydro								
331	Structures & Improvements	544,221	*	5,178		5,178		
332	Reservoirs, Dams & Waterways	6,884,818	*	188,387		188,387		
333	Water Wheels, Turbines & Generators	3,543,064	*	151,309		151,309		
334	Accessory Electric Equipment	378,901	*	9,409		9,409		
335	Miscellaneous Power Plant Equipment	60,824	*	748		748		
		11,411,828		355,031		355,031		
Decommissioning								
325	Nuclear Decommissioning MN Retail	0	*	0		0		
325	Nuclear Decommissioning ND Retail	0	*	0		0		
325	Nuclear Decommissioning SD Retail	0	*	0		0		
325	Nuclear Decommissioning MN Whsle	0	*	-776,804		-776,804		
325	Nuclear Decommissioning WI Retail	0	*	0		0		
325	Nuclear Decommissioning WI Whsle	0	*	0		0		
		0		-776,804		-776,804		
325	Less Nuclear Decommissioning MN & WI Retail & Whsle			-776,804		-776,804		
				0		0		
	Difference Between Financial View and SD Rules					156,832		156,832

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FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Other								
340	Land/Wind Rights	129,079	1.22%	1,580		1,580		
341	Structures & Improvements	156,006,738	*	4,711,299		4,711,299		
342	Fuel Holders, Producers & Accessories	78,199,877	*	3,014,522		3,014,522		
344	Generators	960,019,666	*	34,646,003		34,646,003		
345	Accessory Electric Equipment	147,380,755	*	5,026,762		5,026,762		
346	Miscellaneous Power Plant Equipment	18,119,344	*	599,243		599,243		
		<u>1,359,855,459</u>		<u>47,999,409</u>		<u>47,999,409</u>		
	Difference Between Financial View and SD Rules					<u>-825,362</u>		
						<u>47,174,047</u>		
Electric Production Total		<u>5,335,914,539</u>		<u>146,722,713</u>		<u>139,340,949</u>	<u>20,863,000</u>	<u>160,203,949 (6)</u>
Transmission								
352	Structures & Improvements	40,279,832	2.19%	881,909		881,909		
353	Station Equipment	737,152,268	2.61%	19,214,460		19,214,460		
354	Towers & Fixtures	111,214,398	2.42%	2,694,546		2,694,546		
355	Poles & Fixtures	496,856,859	2.42%	12,042,211		12,042,211		
356	OH Conductors	286,620,932	3.05%	8,729,546		8,729,546		
357	UG Conduit	8,364,073	1.80%	150,570		150,570		
358	UG Conductors	14,114,024	2.48%	350,102		350,102		
Transmission Subtotal		<u>1,694,602,386</u>		<u>44,063,344</u>		<u>44,063,344</u>		
	Non-Retail Prefunded					<u>-2,000</u>		
	Difference Between Financial View and SD Rules					<u>437,361</u>		
Transmission Total						<u>44,498,705</u>	<u>-16,000</u>	<u>44,482,705 (6)</u>
Transmission Plant - Acquisition Adjustment								
114	OH Conductors	222,385	0.00%	0		0		
Transmission Acquisition Adjustment Total		<u>222,385</u>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
Transmission Plant - Leased								
355	Poles & Fixtures	526,097	2.42%	12,754		12,754		
356	OH Conductors	295,201	3.05%	8,993		8,993		
Transmission Leased Total		<u>821,298</u>		<u>21,747</u>		<u>21,747</u>	<u>0</u>	<u>21,747</u>
Distribution								
361	Structures & Improvements	31,548,157	2.88%	908,944		908,944		
362	Station Equipment	443,263,551	2.88%	12,781,541		12,781,541		
364	Poles & Fixtures	288,736,715	4.72%	13,618,542		13,618,542		
365	OH Conductors	336,692,826	3.70%	12,447,978		12,447,978		
366	UG Conduit	186,481,483	1.99%	3,702,048		3,702,048		
367	UG Conductors	857,757,407	2.28%	19,558,101		19,558,101		
368	Line Transformers	346,742,541	2.81%	9,735,688		9,735,688		
368	Capacitors	18,731,724	3.99%	748,289		748,289		
369	OH Service	76,723,438	3.34%	2,564,728		2,564,728		
369	UG Service	188,229,147	3.36%	6,329,307		6,329,307		
370	Meters	112,580,016	6.41%	7,211,834		7,211,834		
371	Customer Premise	22,705,193	0.00%	0		0		
373	Street Lighting	51,202,772	4.78%	2,447,768		2,447,768		
Distribution Subtotal		<u>2,961,394,970</u>		<u>92,054,768</u>		<u>92,054,768</u>		
	Amortization of SD Short Term AFUDC					<u>305,000</u>		

Northern States Power Company, a Minnesota corporation
 Electric Utility- State of South Dakota
 Depreciation Expense
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FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Distribution Total						92,359,768	0	92,054,768 (6)

Northern States Power Company, a Minnesota corporation
Electric Utility- State of South Dakota
Depreciation Expense
Year Ended December 31, 2010

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Distribution-Leased								
361	Structures & Improvements	71,711	2.89%	2,071		2,071		
362	Station Equipment	1,836,858	2.89%	53,166		53,166		
Distribution Leased Total		<u>1,908,569</u>		<u>55,237</u>		<u>55,237</u>	<u>0</u>	<u>55,237</u>
Electric General								
390	Genl Structures & Improvements	57,503,700	2.22%	1,277,347		1,277,347		
391	General Office Furn & Equip	40,313,154	9.33%	3,760,429		3,760,429		
392	General Transp Equip	48,920,095	8.34%	4,078,891	4,078,891	0		
393	General Stores Equip	2,251,568	4.85%	109,132		109,132		
394	General Tools & Shop Equip	41,248,924	6.64%	2,737,648		2,737,648		
395	General Laboratory Equip	4,607,541	9.30%	428,302		428,302		
396	General Power Operated Equip	10,000,736	9.04%	904,328	904,328	0		
397	General Comm Equip	23,156,863	10.02%	2,319,315		2,319,315		
398	General Misc Equip	2,753,715	6.65%	183,018		183,018		
Electric General Total		<u>230,756,296</u>		<u>15,798,410</u>	<u>4,983,219 (2)</u>	<u>10,815,191</u>	<u>0</u>	<u>10,815,191 (6)</u>
302	Franchises and Consents	37,770,796	4.40%	1,661,111		1,661,111		
303	Intangible Amortization (3)	31,669,595	8.26%	2,615,266		2,615,266		
Intangibles Subtotal		<u>69,440,391</u>		<u>4,276,377</u>		<u>4,276,377</u>		
Difference Between Financial View and SD Rules						-69,566		
Intangibles Total						<u>4,206,811</u>	<u>0</u>	<u>4,206,811</u>
Electric Common Plant (4) (5)				<u>26,172,546</u>	<u>794,262</u>	<u>25,378,284</u>		
Difference Between Financial View and SD Rules						116,063		
						<u>25,494,347</u>	<u>0</u>	<u>25,494,347</u>
Total Electric (Including Electric Common)		<u>10,295,060,834</u>		<u>329,165,142</u>	<u>5,777,481</u>	<u>316,792,755</u>	<u>20,847,000</u>	<u>337,639,755 (6)</u>

* Remaining Life Technique used for calculating Production Plant Depreciation

For further explanation see Statement J footnote.

- (1) See Schedule E-3 for an explanation of the computation of depreciation.
- (2) Electric Utility Depreciation Expense charged to Clearing Accounts.
- (3) Computer Software
- (4) Depreciation Expense related to Electric Common Plant is not available in the same detail as Total Electric.
- (5) Common Depreciation allocation to Electric is based on the allocation found in the FERC Form 1, page 356.
- (6) See Statement M, Pages 5 & 6

For generating facilities, the depreciation rates requested are not applicable because Northern States Power Company depreciates all generating plants using a remaining life technique. The accrual for a remaining life plant is calculated each month using net plant divided by the remaining life. Under this method, subsequent additions are depreciated over the estimated remaining life.

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2011

Electric Utility
 Steam Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Black Dog			
E311	Structures & Improvements	-8.3	21.0 yrs
E312	Boiler Plant Equipment	-18.0	5.0
E314	Turbogenerator Units	-18.0	5.0
E315	Accessory Electric Equipment	-18.0	5.0
E316	Miscellaneous Power Plant Equipment	-18.0	5.0
Allen S. King			
E311	Structures & Improvements	-5.5	26.5 yrs
E312	Boiler Plant Equipment	-5.5	26.5
E314	Turbogenerator Units	-5.5	26.5
E315	Accessory Electric Equipment	-5.5	26.5
E316	Miscellaneous Power Plant Equipment	-5.5	26.5
Minnesota Valley			
E311	Structures & Improvements	-101.9	6.5 yrs
E312	Boiler Plant Equipment	-101.9	6.5
E314	Turbogenerator Units	-101.9	6.5
E315	Accessory Electric Equipment	-101.9	6.5
E316	Miscellaneous Power Plant Equipment	-101.9	6.5
Red Wing			
E311	Structures & Improvements	-23.3	7.0 yrs
E312	Boiler Plant Equipment	-23.3	7.0
E314	Turbogenerator Units	-23.3	7.0
E315	Accessory Electric Equipment	-23.3	7.0
E316	Miscellaneous Power Plant Equipment	-23.3	7.0
Sherco Unit 1 & 2			
E311	Structures & Improvements	-5.1	12.0 yrs
E312	Boiler Plant Equipment	-5.1	12.0
E314	Turbogenerator Units	-5.1	12.0
E315	Accessory Electric Equipment	-5.1	12.0
E316	Miscellaneous Power Plant Equipment	-5.1	12.0

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 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
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Electric Utility
 Steam Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Sherco Unit 3			
E311	Structures & Improvements	-4.3	22.0 yrs
E312	Boiler Plant Equipment	-4.3	22.0
E314	Turbogenerator Units	-4.3	22.0
E315	Accessory Electric Equipment	-4.3	22.0
E316	Miscellaneous Power Plant Equipment	-4.3	22.0
Wilmarth			
E311	Structures & Improvements	-23.0	7.0 yrs
E312	Boiler Plant Equipment	-23.0	7.0
E314	Turbogenerator Units	-23.0	7.0
E315	Accessory Electric Equipment	-23.0	7.0
E316	Miscellaneous Power Plant Equipment	-23.0	7.0

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 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
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Electric Utility
 Nuclear Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Monticello			
E302	Franchises & Consents	0.0	19.8 yrs
E321	Structures & Improvements	0.0	19.8
E322	Reactor Plant Equipment	0.0	19.8
E323	Turbogenerator Units	0.0	19.8
E324	Accessory Electric Equipment	0.0	19.8
E325	Miscellaneous Power Plant Equipment	0.0	19.8
Monticello - Interim Storage Facility			
E321	Structures and Improvements	0.0	19.8 yrs
E322	Reactor Plant Equipment	0.0	19.8
Prairie Island Unit 1 & 2			
E321	Structures & Improvements	0.0	23.3 yrs
E322	Reactor Plant Equipment	0.0	23.3
E323	Turbogenerator Units	0.0	23.3
E324	Accessory Electric Equipment	0.0	23.3
E325	Miscellaneous Power Plant Equipment	0.0	23.3
Prairie Island - Interim Storage Facility			
E321	Structures and Improvements	0.0	23.3 yrs
E322	Reactor Plant Equipment	0.0	23.3

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 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
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Electric Utility
 Hydro Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Hennepin Island			
E302	Franchises & Consents	0.0	23.2 yrs
E331	Structures & Improvements	-30.0	23.2
E332	Reservoirs, Dams & Waterways	-30.0	23.2
E333	Water Wheels, Turbines & Generators	-30.0	23.2
E334	Accessory Electric Equipment	-30.0	23.2
E335	Miscellaneous Power Plant Equipment	-30.0	23.2
Lower Dam			
E331	Structures & Improvements	-30.0	23.2 yrs
E332	Reservoirs, Dams & Waterways	-30.0	23.2
Upper Dam			
E332	Reservoirs, Dams & Waterways	-30.0	23.2 yrs
E335	Miscellaneous Power Plant Equipment	-30.0	23.2

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2011

Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Alliant Tech			
E344	Generators	0.0	1.8 yrs
Angus C. Anson Unit 2 & 3			
E341	Structures & Improvements	-4.5	24.4 yrs
E342	Fuel Holders, Producers & Accessories	-4.4	8.8
E344	Generators	-4.4	8.8
E345	Accessory Electric Equipment	-4.4	8.8
E346	Miscellaneous Power Plant Equipment	-4.4	8.8
Angus C. Anson Unit 4			
E341	Structures & Improvements	-4.5	24.4 yrs
E342	Fuel Holders, Producers & Accessories	-4.5	24.4
E344	Generators	-4.5	24.4
E345	Accessory Electric Equipment	-4.5	24.4
E346	Miscellaneous Power Plant Equipment	-4.5	24.4
Black Dog Unit 5			
E341	Structures & Improvements	-8.3	21.0 yrs
E342	Fuel Holders, Producers & Accessories	-8.3	21.0
E344	Generators	-8.3	21.0
E345	Accessory Electric Equipment	-8.3	21.0
E346	Miscellaneous Power Plant Equipment	-8.3	21.0
Blue Lake Units 1 thru 4			
E341	Structures & Improvements	-5.2	24.4 yrs
E342	Fuel Holders, Producers & Accessories	-11.9	2.0
E344	Generators	-11.9	2.0
E345	Accessory Electric Equipment	-11.9	2.0
E346	Miscellaneous Power Plant Equipment	-11.9	2.0
Blue Lake Units 7 & 8			
E341	Structures & Improvements	-5.2	24.4 yrs
E342	Fuel Holders, Producers & Accessories	-5.2	24.4
E344	Generators	-5.2	24.4
E345	Accessory Electric Equipment	-5.2	24.4
E346	Miscellaneous Power Plant Equipment	-5.2	24.4

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Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Grand Meadow Wind Farm			
E340.1	Wind Rights	0.0	22.9 yrs
E341	Structures & Improvements	-8.7	22.9
E342	Fuel Holders, Producers & Accessories	-8.7	22.9
E344	Generators	-8.7	22.9
E345	Accessory Electric Equipment	-8.7	22.9
E346	Miscellaneous Power Plant Equipment	-8.7	22.9
Granite City			
E341	Structures & Improvements	-38.8	2.0 yrs
E342	Fuel Holders, Producers & Accessories	-38.8	2.0
E344	Generators	-38.8	2.0
E345	Accessory Electric Equipment	-38.8	2.0
E346	Miscellaneous Power Plant Equipment	-38.8	2.0
High Bridge			
E341	Structures & Improvements	-3.1	27.4 yrs
E342	Fuel Holders, Producers & Accessories	-3.1	27.4
E344	Generators	-3.1	27.4
E345	Accessory Electric Equipment	-3.1	27.4
E346	Miscellaneous Power Plant Equipment	-3.1	27.4
Inver Hills			
E341	Structures & Improvements	-11.0	16.0 yrs
E342	Fuel Holders, Producers & Accessories	-11.0	16.0
E344	Generators	-11.0	16.0
E345	Accessory Electric Equipment	-11.0	16.0
E346	Miscellaneous Power Plant Equipment	-11.0	16.0
Key City			
E341	Structures & Improvements	-38.6	2.0 yrs
E342	Fuel Holders, Producers & Accessories	-38.6	2.0
E344	Generators	-38.6	2.0
E345	Accessory Electric Equipment	-38.6	2.0
E346	Miscellaneous Power Plant Equipment	-38.6	2.0

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Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/11
Nobles Wind Project			
E340.1	Wind Rights	0.0	24.9 yrs
E341	Structures & Improvements	-8.7	24.9
E342	Fuel Holders, Producers & Accessories	-8.7	24.9
E344	Generators	-8.7	24.9
E345	Accessory Electric Equipment	-8.7	24.9
E346	Miscellaneous Power Plant Equipment	-8.7	24.9
Riverside Unit 7			
E341	Structures & Improvements	-5.0	28.2
E342	Fuel Holders, Producers & Accessories	-5.0	28.2
E344	Generators	-5.0	28.2
E345	Accessory Electric Equipment	-5.0	28.2
E346	Miscellaneous Power Plant Equipment	-5.0	28.2
United Hospital			
E344	Generators	0	6.7 yrs
Wind-to-Battery System (In-service date, not January 1, 2009)			
E342	Fuel Holders, Producers & Accessories	0	13.0 yrs

Northern States Power Company, a Minnesota corporation
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 Expense Charged Other Than Prescribed Depreciation
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 Schedule J-1
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Line No.	FERC Account (*)	Account Description	Depreciation Base	Depreciation Rate (%)	Depreciation Expense Charged To Other Accounts
1	392	Cars, Vans & Light Trucks	16,314,575	9.16%	1,495,023
2	392	Licensed Trailers	3,636,650	9.22%	335,399
3	392	Heavy Trucks	28,968,870	7.76%	2,248,469
4	396	Trenchers, Loaders, Cranes and Other Power Operated Equipment	10,000,736	9.04%	904,328
5		Total	<u>58,920,831</u>		<u>4,983,219</u>