

2011 Wholesale Cost Assignment Adjustment

Template V1.2

Statement of Income

Operating Expenses:

	Period	Mn Co Electric												Jur Electric					
		Production				Transmission				Distribution				MN	ND	SD	Whls		
		MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls						
Fuel & Purchased Energy	Annual																		
Power Production	Annual																		
Transmission	Annual																		
Distribution	Annual									0	0	0	0	(141)	0	0	141		
Customer Accounting	Annual									40	40	40	40	0	0	0	40		
Customer Service & Information	Annual									83	83	83	83	0	0	0	83		
Sales, Econ Dvlp & Other	Annual									0	0	0	0	0	0	0	0		
Administrative & General	Annual									-123	(123)	(123)	(123)	(150)	(11)	(10)	48		
Total Operating Expenses:	Annual	0	0	0	0	0	0	0	0	0	0	0	0	(291)	(11)	(10)	312		

Jurisdiction Cash Working Capital

Fuel Expenses

Coal & Rail Transport	Annual																		
Gas for Generation	Annual																		
Oil	Annual																		
Nuclear & EOL	Annual																		
Nuclear Disposal	Annual																		
Total Fuel Expenses	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Purchased Power

Purchases	Annual																		
Interchange	Annual																		
Total Purchased Power	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Labor Related

Regular Payroll	Annual	0	0	0	0	0	0	0	0	0	0	0	0	(291)	(11)	(10)	312		
Incentive Compensation	Annual																		
Pension & Benefits	Annual																		
Total Labor & Related	Annual									0	0	0	0	(291)	(11)	(10)	312		

PT5-1

Summarized Adjustment for Direct Services Provided to Full Requirement Wholesale Customers

	Functional						P
	Class	Total	MN	ND	SD	Whlsl	T
Credit for Billing Expenses	A&G	(39,915)	(34,999)	(2,532)	(2,384)		D
Account Management Expenses	A&G	(82,981)	(114,897)	(8,313)	(7,828)	48,056	D
Total A&G Adjustments	A&G	(122,897)	(149,896)	(10,845)	(10,212)	48,056	
Billing Expenses to Wholesale Juris	Cust Acct	39,915				39,915	D
Account Management Expenses	Cust Serv	82,981				82,981	D
Distribution Expenses	Dist	-	(141,288)			141,288	D
Total O&M Adjustment for Wholesale Services		0	(291,184)	(10,845)	(10,212)	312,241	D

Allocators					
Electric Customers	100.00%	87.68%	6.34%	5.97%	

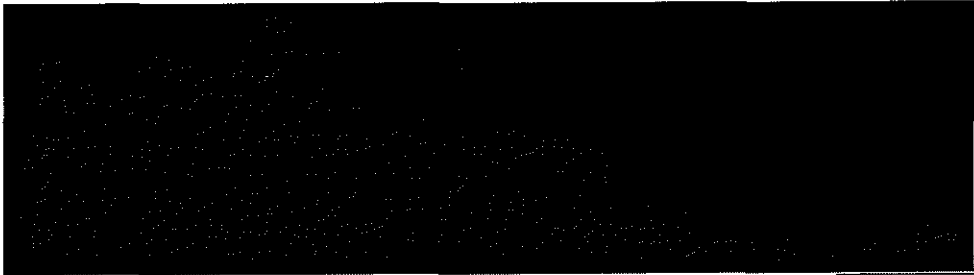
PT15-2

Northern States Power Minnesota
 Wholesale Billing Costs, Full Requirements Customers
 2010 Actual Amounts in A&G

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Position Description	Job Grade	Mid-Point Salary	Hourly Rate	Hours/ January to April	Hours/ May to December	Annual Costs	Labor Loading (1)	Total Costs
Contract Commodity Analyst	O							
Team Lead, Settlements and Accounting	Q							
Senior Financial Analyst	P							
Manager, Transaction Enablement and Reporting	S							
Senior RTO/ISO Accountant	P							
Associate Accounting Analyst	M							
Principal Financial Consultant	R							
Principal Financial Consultant	R							
Manager, Commercial Accounting and Analysis	S							
Wholesale Billing Costs								



Net amount to adjust for Wholesale Billing Costs to Customer Accounting Wholesale \$39,915

Note 1: The labor loading rates (Service Co.) include the following:
 2010 Actual Labor Loading Percentages for Xcel Service Company

Non-Productive	17.54%
FICA	9.07%
Fed Unemp	0.10%
ST Unemp	1.09%
Insurance (hlth care)	17.83%
Pension	14.62%
Total PITS	42.71%
Work Comp	0.35%
Incentive	18.43%
TOTAL	79.03%

Costs provided by Pete Zapotocky
 Labor Loading Data provided by Brian Kochevar

Note 2: Allocation of Customer Accounting Adjustment to Minnesota/North Dakota/South Dakota based on 2010 Actual jurisdictional customer allocator

Adjustment to A&G for Wholesale Billing

Jurisdiction	Allocator	
MN	87.6826%	-\$34,999
ND	6.3437%	-\$2,532
SD	5.9736%	-\$2,384
Total	100.0000%	-\$39,915

	Customers	%
MN	1,220,973	87.6826%
ND	88,336	6.3437%
SD	83,182	5.9736%
Total	1,392,491	100.0000%

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PFS-3

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**Northern States Power Minnesota
Customer Services Provided by Account Management Group
to Full Requiriemnts Customers
2010 Actual Amounts in A&G***

Position	Percent of Time Directly Serving Wholesale Customers	FERC	2011 Budget Amounts	Labor Loading Ratio	Labor Loading Dollars	2011 Budget Totals
Account Manager Wholesale MN/WI		Cinfo				65,656
		A&G				12,949
Sr Regional Sales Manager		Cinfo				17,326
		A&G				35,107
Total Amount to Adjust to Direct Assign to Wholesale Jurisdiction			71,850		59,187	131,037
A&G Portion of the Adjustment						48,056
Customer Service & Information Portion of the Adjustment						82,981

* These labor dollars should have been budgeted with a portion in FERC account 908 and a portion in 920 Adjustment will be made moving dollars into the appropriate FERC account in the Wholesale Jurisdiction

Wholesale 131,037

Jurisdiction	Allocator	
MN	87.6826%	(114,897)
ND	6.3437%	(8,313)
SD	5.9736%	(7,828)
Total	100.0000%	(131,037)

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PF15-4

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Northern States Power Minnesota
Distribution Expenses to Wholesale Full Requirement Customer

Meter Maintenance Costs

FERC Description	FERC	Functional Class	Position Midpoint	Total Loadings	Total Including Loadings	Annual Hours	Annual Cost Per Meter	Cost for 7 Meters	Distribution				
									MN	ND	SD	Whisl	
Distribution Meter Expense	586	Distribution			104.58	8.00	836.67	5,857	5,857	-	-	-	-
Adjustment													
Reverse Test Year Assignment									(5,857)	-	-	-	-
Direct Assignment to Wholesale													5,857
Distribution System Serving Wholesale Customers Maintenance													
						% of MN Dist.							
FERC Description	FERC	Functional Class	Total MN Juris Budget	Plant to Whisl *	Adjustment Amount				MN	ND	SD	Whisl	
Distribution O&M Expenses	various	Distribution	40,673,322	0.3330%	135,431				(135,431)				135,431
* Ratio is the resulting distribution plant assigned to wholesale to total Company distribution plant													
Total Adjustment to Distribution									(141,288)	-	-	141,288	

Distribution FERC Totals

Distribution FERC Totals						
Total Distribution Expenses		104,652,757	92,904,282	6,275,328	5,473,102	44
FERC ID	FERC	2010 Actuals	MN	ND	SD	Whisl
Oper Engineering & Supervision	580	9,025,772	7,660,372	522,742	842,636	22
Load Dispatch	581	6,014,032	5,477,416	276,359	260,236	22
Oper Station Expenses	582	2,687,870	2,506,438	90,582	90,843	7
Overhead Line Expenses	583	1,190,253	937,747	141,120	111,396	(10)
Misc Dist. Expenses	588	15,496,216	13,779,983	900,688	815,529	16
Maint Engineering & Supervision	590	666,543	572,989	43,009	50,543	2
Maint. Station Equipment	592	9,095,165	8,022,972	553,173	518,978	42
Maintenance of Line Transforme	595	1,697,612	1,680,647	14,417	2,548	0
Dist Mtc of Meters	597	50,732	34,758	11,870	4,104	0
Distribution O&M Supporting Wholesal		109,892,604	97,583,142	5,779,186	6,530,148	127
		45,924,195	40,673,322			

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PPS-5