

Northern States Power Company, a Minnesota corporation
Electric Utility- State of South Dakota
Depreciation Expense
Year Ended December 31, 2011

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	300,227,922	*	5,515,464		5,515,464		
312	Boiler Plant Equipment	1,294,053,363	*	39,657,286		39,657,286		
314	Turbogenerator Units	286,405,790	*	9,596,595		9,596,595		
315	Accessory Electric Equipment	161,385,318	*	4,645,220		4,645,220		
316	Miscellaneous Power Plant Equipment	49,151,993	*	1,386,819		1,386,819		
		<u>2,091,224,386</u>		<u>60,801,384</u>		<u>60,801,384</u>		
Nuclear								
321	Structures & Improvements	395,756,663	*	5,784,720		5,784,720		
322	Reactor Plant Equipment	960,149,388	*	16,840,214		16,840,214		
323	Turbogenerator Units	375,148,453	*	10,665,530		10,665,530		
324	Accessory Electric Equipment	265,871,072	*	3,674,154		3,674,154		
325	Miscellaneous Power Plant Equipment	134,214,087	*	1,630,070		1,630,070		
		<u>2,131,139,663</u>		<u>38,594,688</u>		<u>38,594,688</u>		
Hydro								
331	Structures & Improvements	544,221	*	5,178		5,178		
332	Reservoirs, Dams & Waterways	6,948,561	*	192,002		192,002		
333	Water Wheels, Turbines & Generators	4,613,016	*	215,819		215,819		
334	Accessory Electric Equipment	371,310	*	9,393		9,393		
335	Miscellaneous Power Plant Equipment	60,824	*	748		748		
		<u>12,537,932</u>		<u>423,140</u>		<u>423,140</u>		
Decommissioning								
325	Nuclear Decommissioning MN Retail	-	*	-		-		
325	Nuclear Decommissioning ND Retail	-	*	-		-		
325	Nuclear Decommissioning SD Retail	-	*	-		-		
325	Nuclear Decommissioning MN Whsle	-	*	(492,293)		(492,293)		
325	Nuclear Decommissioning WI Retail	-	*	-		-		
325	Nuclear Decommissioning WI Whsle	-	*	-		-		
		<u>-</u>		<u>(492,293)</u>		<u>(492,293)</u>		
325	Less Nuclear Decommissioning MN & WI Retail & Whsle			<u>(492,293)</u>		<u>(492,293)</u>		
				<u>-</u>		<u>-</u>		
Other								
340	Land/Wind Rights	18,879,484	0.77%	144,666		144,666		
341	Structures & Improvements	172,165,783	*	5,452,702		5,452,702		
342	Fuel Holders, Producers & Accessories	78,657,357	*	3,041,731		3,041,731		
344	Generators	1,362,265,369	*	54,001,544		54,001,544		
345	Accessory Electric Equipment	163,563,651	*	6,317,224		6,317,224		
346	Miscellaneous Power Plant Equipment	21,585,991	*	757,055		757,055		
		<u>1,817,117,635</u>		<u>69,714,922</u>		<u>69,714,922</u>		
Electric Production Subtotal		<u>6,052,019,616</u>		<u>169,534,134</u>		<u>169,534,134</u>		
						Interim Rate Adjustments	(5,482,980)	
						Difference Between Financial View and SD Rules	16,439,846	
Electric Production Total						<u>180,491,000</u>	<u>9,581,000</u>	<u>190,072,000 (6)</u>

Northern States Power Company, a Minnesota corporation
Electric Utility- State of South Dakota
Depreciation Expense
Year Ended December 31, 2011

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Transmission								
352	Structures & Improvements	44,637,079	2.22%	989,001		989,001		
353	Station Equipment	805,066,154	2.61%	21,032,397		21,032,397		
354	Towers & Fixtures	115,061,257	2.42%	2,785,401		2,785,401		
355	Poles & Fixtures	521,344,693	2.42%	12,594,987		12,594,987		
356	OH Conductors	292,457,843	3.04%	8,890,160		8,890,160		
357	UG Conduit	10,754,345	1.81%	194,349		194,349		
358	UG Conductors	17,557,171	2.48%	435,519		435,519		
Transmission Subtotal		1,806,878,542		46,921,814		46,921,814		
						Non-Retail Pre-Funded	(1,000)	
						Interim Rate Adjustments	(5,220,283)	
						Difference Between Financial View and SD Rules	5,680,510	
							<u>(5,044,000)</u>	<u>42,337,041 (6)</u>
Transmission Total								
Transmission Plant - Acquisition Adjustment								
114	OH Conductors	222,385	0.00%	-		-		
Transmission Acquisition Adjustment Total		222,385		-		-		
Transmission Plant - Leased								
355	Poles & Fixtures	668,632	2.54%	16,966		16,966		
356	OH Conductors	295,201	3.05%	8,993		8,993		
Transmission Leased Total		963,833		25,959		25,959		
Distribution								
361	Structures & Improvements	33,855,533	2.87%	970,013		970,013		
362	Station Equipment	459,431,911	2.86%	13,153,419		13,153,419		
364	Poles & Fixtures	303,128,003	4.62%	14,011,036		14,011,036		
365	OH Conductors	346,094,877	3.65%	12,617,076		12,617,076		
366	UG Conduit	204,138,682	1.99%	4,057,950		4,057,950		
367	UG Conductors	885,724,999	2.27%	20,096,749		20,096,749		
368	Line Transformers	363,497,540	2.79%	10,147,289		10,147,289		
368	Capacitors	19,398,616	3.98%	772,656		772,656		
369	OH Service	77,816,694	3.24%	2,522,787		2,522,787		
369	UG Service	190,257,699	3.32%	6,310,762		6,310,762		
370	Meters	116,820,758	6.39%	7,459,787		7,459,787		
371	Customer Premise	22,705,193	0.00%	-		-		
373	Street Lighting	52,377,464	4.74%	2,483,672		2,483,672		
Distribution Subtotal		3,075,247,969		94,603,196		94,603,196		
						Amortization of SD Short Term AFUDC	241,000	
						Interim Rate Adjustments	(22,069,568)	
							<u>(1,700,000)</u>	<u>71,074,763 (6)</u>
Distribution Total								
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		1,908,569		55,237		55,237		
							<u>-</u>	<u>55,237</u>

Northern States Power Company, a Minnesota corporation
Electric Utility- State of South Dakota
Depreciation Expense
Year Ended December 31, 2011

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Electric General								
390	Genl Structures & Improvements	59,091,757	2.22%	1,313,349		1,313,349		
391	General Office Furn & Equip	38,574,586	8.78%	3,388,663		3,388,663		
392	General Transp Equip	65,220,630	7.69%	5,016,180	5,016,180	-		
393	General Stores Equip	2,006,860	3.98%	79,970		79,970		
394	General Tools & Shop Equip	48,644,924	6.45%	3,136,945		3,136,945		
395	General Laboratory Equip	4,196,877	8.20%	344,170		344,170		
396	General Power Operated Equip	17,742,529	10.08%	1,789,037	1,789,037	-		
397	General Comm Equip	27,281,079	9.80%	2,673,844		2,673,844		
398	General Misc Equip	2,779,006	6.65%	184,793		184,793		
Electric General Subtotal		<u>265,538,248</u>		<u>17,926,951</u>	<u>6,805,217 (2)</u>	<u>11,121,734</u>		
						Difference Between Financial View and SD Rules	<u>(110,734)</u>	
Electric General Total						<u>11,011,000</u>	<u>-</u>	<u>11,011,000</u>
302	Franchises and Consents	80,585,079	4.39%	3,536,252		3,536,252		
303	Intangible Amortization (3)	33,732,700	7.06%	2,381,180		2,381,180		
Intangibles Subtotal		<u>114,317,779</u>		<u>5,917,432</u>		<u>5,917,432</u>		
						Difference Between Financial View and SD Rules	<u>(34,432)</u>	
Intangibles Total						<u>5,883,000</u>	<u>-</u>	<u>5,883,000</u>
Electric Common Plant (4) (5)				<u>27,979,319</u>	<u>765,319</u>	<u>27,214,000</u>	<u>-</u>	<u>27,214,000</u>
Total Electric (Including Electric Common)		<u>11,317,096,941</u>		<u>362,964,042</u>	<u>7,570,536</u>	<u>344,836,000</u>	<u>2,837,000</u>	<u>347,673,000 (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 4 - 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, 2012

Electric Utility
 Steam Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Black Dog			
E311	Structures & Improvements	-8.3	20.0 yrs
E312	Boiler Plant Equipment	-18.0	4.0
E314	Turbogenerator Units	-18.0	4.0
E315	Accessory Electric Equipment	-18.0	4.0
E316	Miscellaneous Power Plant Equipment	-18.0	4.0
Allen S. King			
E311	Structures & Improvements	-5.5	25.5 yrs
E312	Boiler Plant Equipment	-5.5	25.5
E314	Turbogenerator Units	-5.5	25.5
E315	Accessory Electric Equipment	-5.5	25.5
E316	Miscellaneous Power Plant Equipment	-5.5	25.5
Minnesota Valley			
E311	Structures & Improvements	-101.9	5.5 yrs
E312	Boiler Plant Equipment	-101.9	5.5
E314	Turbogenerator Units	-101.9	5.5
E315	Accessory Electric Equipment	-101.9	5.5
E316	Miscellaneous Power Plant Equipment	-101.9	5.5
Red Wing			
E311	Structures & Improvements	-23.3	6.0 yrs
E312	Boiler Plant Equipment	-23.3	6.0
E314	Turbogenerator Units	-23.3	6.0
E315	Accessory Electric Equipment	-23.3	6.0
E316	Miscellaneous Power Plant Equipment	-23.3	6.0
Sherco Unit 1 & 2			
E311	Structures & Improvements	-5.1	11.0 yrs
E312	Boiler Plant Equipment	-5.1	11.0
E314	Turbogenerator Units	-5.1	11.0
E315	Accessory Electric Equipment	-5.1	11.0
E316	Miscellaneous Power Plant Equipment	-5.1	11.0

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Electric Utility
 Steam Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Sherco Unit 3			
E311	Structures & Improvements	-4.3	21.0 yrs
E312	Boiler Plant Equipment	-4.3	21.0
E314	Turbogenerator Units	-4.3	21.0
E315	Accessory Electric Equipment	-4.3	21.0
E316	Miscellaneous Power Plant Equipment	-4.3	21.0
Wilmarth			
E311	Structures & Improvements	-23.0	6.0 yrs
E312	Boiler Plant Equipment	-23.0	6.0
E314	Turbogenerator Units	-23.0	6.0
E315	Accessory Electric Equipment	-23.0	6.0
E316	Miscellaneous Power Plant Equipment	-23.0	6.0

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Docket No. EL12-____
 Statement J Footnote
 Page 4 of 8

Electric Utility
 Nuclear Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Monticello			
E302	Franchises & Consents	0.0	18.8 yrs
E321	Structures & Improvements	0.0	18.8
E322	Reactor Plant Equipment	0.0	18.8
E323	Turbogenerator Units	0.0	18.8
E324	Accessory Electric Equipment	0.0	18.8
E325	Miscellaneous Power Plant Equipment	0.0	18.8
Monticello - Interim Storage Facility			
E321	Structures and Improvements	0.0	18.8 yrs
E322	Reactor Plant Equipment	0.0	18.8
Prairie Island Unit 1 & 2			
E302	Franchises & Consents	0.0	22.3 yrs
E321	Structures & Improvements	0.0	22.3
E322	Reactor Plant Equipment	0.0	22.3
E323	Turbogenerator Units	0.0	22.3
E324	Accessory Electric Equipment	0.0	22.3
E325	Miscellaneous Power Plant Equipment	0.0	22.3
Prairie Island - Interim Storage Facility			
E321	Structures and Improvements	0.0	22.3 yrs
E322	Reactor Plant Equipment	0.0	22.3

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Electric Utility
 Hydro Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Hennepin Island			
E302	Franchises & Consents	0.0	22.2 yrs
E331	Structures & Improvements	-30.0	22.2
E332	Reservoirs, Dams & Waterways	-30.0	22.2
E333	Water Wheels, Turbines & Generators	-30.0	22.2
E334	Accessory Electric Equipment	-30.0	22.2
E335	Miscellaneous Power Plant Equipment	-30.0	22.2
Lower Dam			
E331	Structures & Improvements	-30.0	22.2 yrs
E332	Reservoirs, Dams & Waterways	-30.0	22.2
Upper Dam			
E332	Reservoirs, Dams & Waterways	-30.0	22.2 yrs
E335	Miscellaneous Power Plant Equipment	-30.0	22.2

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Docket No. EL12-____
 Statement J Footnote
 Page 6 of 8

Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Alliant Tech			
E344	Generators	0.0	0.8 yrs
Angus C. Anson Unit 2 & 3			
E341	Structures & Improvements	-4.5	23.4 yrs
E342	Fuel Holders, Producers & Accessories	-4.4	7.8
E344	Generators	-4.4	7.8
E345	Accessory Electric Equipment	-4.4	7.8
E346	Miscellaneous Power Plant Equipment	-4.4	7.8
Angus C. Anson Unit 4			
E341	Structures & Improvements	-4.5	23.4 yrs
E342	Fuel Holders, Producers & Accessories	-4.5	23.4
E344	Generators	-4.5	23.4
E345	Accessory Electric Equipment	-4.5	23.4
E346	Miscellaneous Power Plant Equipment	-4.5	23.4
Black Dog Unit 5			
E341	Structures & Improvements	-8.3	20.0 yrs
E342	Fuel Holders, Producers & Accessories	-8.3	20.0
E344	Generators	-8.3	20.0
E345	Accessory Electric Equipment	-8.3	20.0
E346	Miscellaneous Power Plant Equipment	-8.3	20.0
Blue Lake Units 1 thru 4			
E341	Structures & Improvements	-5.2	23.4 yrs
E342	Fuel Holders, Producers & Accessories	-11.9	1.0
E344	Generators	-11.9	1.0
E345	Accessory Electric Equipment	-11.9	1.0
E346	Miscellaneous Power Plant Equipment	-11.9	1.0
Blue Lake Units 7 & 8			
E341	Structures & Improvements	-5.2	23.4 yrs
E342	Fuel Holders, Producers & Accessories	-5.2	23.4
E344	Generators	-5.2	23.4
E345	Accessory Electric Equipment	-5.2	23.4
E346	Miscellaneous Power Plant Equipment	-5.2	23.4

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Docket No. EL12-____
 Statement J Footnote
 Page 7 of 8

Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Grand Meadow Wind Farm			
E340.1	Wind Rights	0.0	21.9 yrs
E341	Structures & Improvements	-8.7	21.9
E342	Fuel Holders, Producers & Accessories	-8.7	21.9
E344	Generators	-8.7	21.9
E345	Accessory Electric Equipment	-8.7	21.9
E346	Miscellaneous Power Plant Equipment	-8.7	21.9
Granite City			
E341	Structures & Improvements	-38.8	1.0 yrs
E342	Fuel Holders, Producers & Accessories	-38.8	1.0
E344	Generators	-38.8	1.0
E345	Accessory Electric Equipment	-38.8	1.0
E346	Miscellaneous Power Plant Equipment	-38.8	1.0
High Bridge			
E341	Structures & Improvements	-3.1	36.4 yrs
E342	Fuel Holders, Producers & Accessories	-3.1	36.4
E344	Generators	-3.1	36.4
E345	Accessory Electric Equipment	-3.1	36.4
E346	Miscellaneous Power Plant Equipment	-3.1	36.4
Inver Hills			
E341	Structures & Improvements	-11.0	15.0 yrs
E342	Fuel Holders, Producers & Accessories	-11.0	15.0
E344	Generators	-11.0	15.0
E345	Accessory Electric Equipment	-11.0	15.0
E346	Miscellaneous Power Plant Equipment	-11.0	15.0
Key City			
E341	Structures & Improvements	-38.6	1.0 yrs
E342	Fuel Holders, Producers & Accessories	-38.6	1.0
E344	Generators	-38.6	1.0
E345	Accessory Electric Equipment	-38.6	1.0
E346	Miscellaneous Power Plant Equipment	-38.6	1.0

Northern States Power Company, a Minnesota corporation
 Electric Utility – Total Company
 Depreciation Rates – Remaining Life Technique
 Effective January 1, 2012

Docket No. EL12-____
 Statement J Footnote
 Page 8 of 8

Electric Utility
 Other Production

Account	Description	Net Salvage (%)	Remaining Life 01/01/12
Nobles Wind Project			
E340.1	Wind Rights	0.0	23.9 yrs
E341	Structures & Improvements	-8.7	23.9
E342	Fuel Holders, Producers & Accessories	-8.7	23.9
E344	Generators	-8.7	23.9
E345	Accessory Electric Equipment	-8.7	23.9
E346	Miscellaneous Power Plant Equipment	-8.7	23.9
Riverside Unit 7			
E341	Structures & Improvements	-5.0	37.2 yrs
E342	Fuel Holders, Producers & Accessories	-5.0	37.2
E344	Generators	-5.0	37.2
E345	Accessory Electric Equipment	-5.0	37.2
E346	Miscellaneous Power Plant Equipment	-5.0	37.2
United Hospital			
E344	Generators	0	5.7 yrs
Wind-to-Battery System (In-service date, not January 1, 2009)			
E342	Fuel Holders, Producers & Accessories	0	12.0 yrs

Northern States Power Company, a Minnesota corporation
 Electric Utility - Total Company
 Expense Charged Other Than Prescribed Depreciation
 Year Ended December 31, 2011

Docket No. EL12-____
 Schedule J-1
 Page 1 of 1

Line No.	FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Depreciation Expense Charged To Other Accounts
1	392	Cars, Vans & Light Trucks	20,141,311	8.89%	1,789,827
2	392	Licensed Trailers	6,048,489	9.34%	564,892
3	392	Heavy Trucks	39,030,830	6.82%	2,661,461
4	396	Trenchers, Loaders, Cranes and Other Power Operated Equipment	17,742,529	10.08%	1,789,037
5		Total	<u>82,963,159</u>		<u>6,805,217</u>