

	<u>Unadjusted</u> <u>Test Year</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<b><u>Income Before Taxes</u></b>			
Total Operating Revenues	3,787,732	(10,458)	3,777,274
less: Total Operating Expenses	(2,658,361)	565	(2,657,796)
Book Depreciation & Amortization	(344,889)	(27,478)	(372,367)
Taxes (Other Than Current Income)	(509,391)	158,911	(350,480)
<b>Total Before Tax Book Income</b>	<b>275,091</b>	<b>121,540</b>	<b>396,631</b>
<b><u>Tax Additions</u></b>			
Book Depreciation	344,836	2,837	347,673
Deferred Income Taxes & ITC	354,839	(164,052)	190,787
Nuclear Fuel Burn (ex D&D)	112,373	0	112,373
Nuclear Outage Accounting	59,808	0	59,808
Avoided Tax Interest	32,264	853	33,117
<b>Total Tax Additions</b>	<b>904,120</b>	<b>(160,362)</b>	<b>743,758</b>
<b><u>Tax Deductions</u></b>			
Debt Interest Expense	159,351	17,095	176,446
Tax Depreciation & Removal	1,320,852	(367,142)	953,710
Manufacture Production Deduction	0	0	0
Other Tax/Book Timing Differences	76,913	180	77,093
<b>Total Tax Deductions</b>	<b>1,557,116</b>	<b>(349,867)</b>	<b>1,207,249</b>
<b>State Taxable Income</b>	<b>(377,905)</b>	<b>311,045</b>	<b>(66,860)</b>
State Income Tax Rate	8.89%	8.89%	8.89%
State Taxes before Credits	(33,596)	27,652	(5,944)
State Credits	0	0	0
<b>Total State Income Taxes</b>	<b>(33,596)</b>	<b>27,652</b>	<b>(5,944)</b>
<b>Federal Taxable Income</b>	<b>(344,309)</b>	<b>283,393</b>	<b>(60,916)</b>
Federal Income Tax Rate	35.00%	35.00%	35.00%
Federal Tax before Credits	(120,508)	99,188	(21,321)
Federal Tax Credits	19,404	(20,501)	(1,097)
<b>Total Federal Income Taxes</b>	<b>(139,912)</b>	<b>119,689</b>	<b>(20,224)</b>
<b>Total Federal &amp; State Income Taxes</b>	<b>(173,508)</b>	<b>147,340</b>	<b>(26,168)</b>

	Northern States Power Company (Minnesota)			
Current Income Tax Federal	<u>Total</u>	<u>Electric</u>	<u>Gas</u>	<u>Non-Utility</u>
Final Provision	(4,028,483)	(10,385,745)	7,229,926	(872,664)
	100.00%	257.81%	-179.47%	21.66%



**Northern States Power Company, a Minnesota corporation  
Electric Utility - Total Company  
Differences in Book and Tax Depreciation  
Year Ended December 31, 2011**

<b>Description</b>	<b>Total Electric Utility</b>
<b>Tax Depreciation:</b>	
Straight Line	35,810,206.15
Sum of Year's Digits	130,473.08
ADR - Declining Balance	107,548.38
MACRS (Includes Bonus Depreciation)	1,030,326,309.44
Units of Production	4,733,283.99
Common (allocated to electric)	<u>31,097,590.99</u>
<b>TOTAL TAX DEPRECIATION</b>	<b><u>1,102,205,412.03</u></b>
<b>Book Depreciation:</b>	
Electric	400,096,938.84
Common (allocated to electric)	<u>28,156,500.68</u>
<b>TOTAL BOOK DEPRECIATION</b>	<b><u>428,253,439.52</u></b>
<b>EXCESS TAX OVER BOOK DEPRECIATION</b>	<b><u><u>673,951,972.50</u></u></b>

Northern States Power Company, a Minnesota Corporation  
Electric Utility - Total Company  
Federal Income Tax  
Tax Year Ended: 12/31/10

PUBLIC DOCUMENT-  
CONFIDENTIAL DATA HAS BEEN EXCISED

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NSPM calculates its current and deferred federal income tax expense on a separate company basis for financial reporting purposes. Under the separate company method, tax expense is calculated based on the company's own income and expense items and does not include income and expense items for other affiliates. Tax expense is based on the income and expenses of all the regulated and non-regulated operations of the legal entity in all the jurisdictions in which it operates.

For rate-making purposes, the stand-alone method is used to calculate current and deferred income tax expense. The stand-alone method bases tax expense on the income, expenses, and tax deductions directly attributable to providing regulated utility service to customers in a particular jurisdiction. The cost of service for this filing isolates all income and expense associated with the South Dakota retail jurisdiction, including income tax expense associated with providing services to South Dakota retail customers, using the stand-alone method.

The stand-alone regulatory approach is calculated consistent with NSPM's separate company financial reporting practices. However, the stand-alone regulatory view is adjusted to exclude nonregulated operations and the effects of the consolidated income tax filing with Xcel Energy.

Northern States Power Company, a Minnesota corporation  
Electric Utility – Total Company  
Allowance for Current State Tax

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No allowance for state income taxes is claimed in the Cost of Service.