

OVERALL COST OF SERVICE AT CLAIMED RATE OF RETURN

| | <u>Unadjusted</u> | <u>Total Company</u> | <u>State of South Dakota</u> |
|----|-----------------------------------------|--------------------------|--------------------------------------|
| 1 | Average Rate Base | 5,533,011 | 330,103 |
| 2 | Claimed Rate of Return | 8.11% | 4.57% |
| | Development of Revenue Requirements | | |
| 3 | Total Available for Return | 448,599 | 15,084 |
| | Operating Expenses | | |
| 4 | Operating and Maintenance | 2,658,361 | 146,453 |
| 5 | Depreciation & Amortizations | 344,889 | 21,971 |
| | Taxes Other than Income | | |
| 6 | Real Estate and Personal Property Taxes | 123,589 | 5,701 |
| 7 | Payroll and Other | 30,963 | 1,846 |
| 8 | Deferred Income Taxes | 354,839 | 21,137 |
| 9 | Federal and State Income Taxes | (173,508) | (14,451) |
| 10 | Total Operating Expenses | <u>3,339,133</u> | <u>182,657</u> |
| 11 | COST OF SERVICE (Operating Revenues) | <u><u>3,787,732</u></u> | <u><u>197,741</u></u> |

Northern States Power Company, a Minnesota corporation
 Electric Utility - Total Company and State of South Dakota
 Actual Year Ended December 31, 2011
 Summary of Actual Operating Revenues and Expenses
 (\$000's)

Docket No. EL12-____
 Statement M
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OVERALL COST OF SERVICE AT CLAIMED ADJUSTMENT AND RATE OF RETURN

| | <u>Pro Forma</u> | <u>Total Company</u> | <u>State of South Dakota</u> |
|----|-----------------------------------------|--------------------------|--------------------------------------|
| 1 | Average Rate Base | 6,126,608 | 367,509 |
| 2 | Claimed Rate of Return | 6.90% | 5.08% |
| | Development of Revenue Requirements | | |
| 3 | Total Available for Return | 422,799 | 18,686 |
| | Operating Expenses | | |
| 4 | Operating and Maintenance | 2,657,796 | 145,441 |
| 5 | Depreciation & Amortizations | 372,367 | 21,821 |
| | Taxes Other than Income | | |
| 6 | Real Estate and Personal Property Taxes | 128,737 | 5,971 |
| 7 | Payroll and Other | 30,956 | 1,846 |
| 8 | Deferred Income Taxes | 190,787 | 13,963 |
| 9 | Federal and State Income Taxes | <u>(26,168)</u> | <u>(5,066)</u> |
| 10 | Total Operating Expenses | <u>3,354,475</u> | <u>183,976</u> |
| 11 | COST OF SERVICE (Operating Revenues) | <u><u>3,777,274</u></u> | <u><u>202,662</u></u> |

(\$000's)

| | PF1 | PF2 | PF3 | PF4 | PF5 | PF6 | PF7 | PF8 | PF9 | PF10 | PF11 | PF12 | |
|-------------------------------------------------|-----------------------|------------------|----------------|-------------------|---------------|----------------------|----------------|----------------------|-------------------------------|------------------|-------------------------|------------------|----------------|
| | Weather Normalization | Fuel Lag | Incentive Comp | Vegetation Mgmt | Storm Damage | Claims & Injury Comp | Advertising | Economic Development | Interest on Customer Deposits | Association Dues | Contributions Donations | SFAS 106 Pay Go | |
| Unadjusted | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | |
| Income Statement | | | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | | | |
| 1 Retail | \$3,111,896 | (\$1,236) | (\$223) | | | | | | | | | | |
| 2 Interdepartmental | 548 | | | | | | | | | | | | |
| 3 Other Operating | 675,288 | | | | | | | | | | | | |
| 4 Total Operating Revenues | \$3,787,732 | (\$1,236) | (\$223) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | | | |
| 5 Fuel & Purchased Energy | \$1,228,707 | (\$420) | (\$223) | | | | | | | | | | |
| 6 Power Production | \$742,085 | | | | | | | | | | | | |
| 7 Transmission | \$195,079 | | | (\$17) | | | | | | | | | |
| 8 Distribution | \$112,987 | | | (\$59) | (\$54) | | | | | | | | |
| 9 Customer Accounting | \$59,248 | | | | | | | | | | | | |
| 10 Customer Service & Information | \$116,324 | | | | | | (\$658) | | | | | | |
| 11 Sales, Econ Dvlp & Other | \$55 | | | | | | | \$199 | | | | | |
| 12 Administrative & General | \$203,876 | | | (\$10,353) | | (\$238) | (\$2,446) | | \$17 | (\$217) | \$1,741 | \$91 | |
| 13 Total Operating Expenses | \$2,658,361 | (\$420) | (\$223) | (\$10,353) | (\$76) | (\$54) | (\$238) | (\$3,104) | \$199 | \$17 | (\$217) | \$1,741 | \$91 |
| 14 Depreciation | \$344,836 | | | | | | | | | | | | |
| 15 Amortization | \$53 | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | | |
| 16 Property | \$123,589 | | | | | | | | | | | | |
| 17 Deferred Income Tax & ITC | \$354,839 | | | | | | | | | | | \$73 | |
| 18 Federal & State Income Tax | (\$173,508) | (\$333) | \$0 | \$4,222 | \$31 | \$22 | \$97 | \$1,266 | (\$81) | (\$7) | \$88 | (\$710) | (\$592) |
| 19 Payroll & Other | \$30,963 | | | | | | | | | | | | |
| 20 Total Taxes | \$335,883 | (\$333) | \$0 | \$4,222 | \$31 | \$22 | \$97 | \$1,266 | (\$81) | (\$7) | \$88 | (\$710) | (\$519) |
| 21 Total Expenses | \$3,339,133 | (\$753) | (\$223) | (\$6,131) | (\$45) | (\$32) | (\$141) | (\$1,838) | \$118 | \$10 | (\$129) | \$1,031 | (\$428) |
| 22 Allowance for Funds Used During Construction | \$0 | | | | | | | | | | | | |
| 23 Total Operating Income | \$448,599 | (\$483) | \$0 | \$6,131 | \$45 | \$32 | \$141 | \$1,838 | (\$118) | (\$10) | \$129 | (\$1,031) | \$428 |

Note: See Volume 3, Pro Forma Adjustments for details. There is a tab per column heading for each adjustment

(\$000's)

| | PF13 | PF14 | PF15 | PF16 | PF17 | PF18 | PF19 | PF20 | PF21 | PF22 | PF23 | PF24 | PF25 |
|-------------------------------------------------|-------------------------------|--------------------|----------------------------|---------------------------------|-----------------------------|-----------------------------|--------------------------------------|------------------------------------|--------------------------------------|-----------------------------------------|-------------------------------------|--------------------------|-------------------------------|
| | CY Rate Case Costs (14) | PTC to FCA (15) | SD ED Labor Adj (16) | Black Dog CT Exhaust (17) | Monti Appendix R (18) | Monti Fire Model (19) | Prairie Island ZE Pipe (20) | Prairie Island Casks (21) | Praire Island Rec Whse (22) | Prairie Island Fire Model (23) | Prairie Island H Line (24) | Monti EPU/LCM (25) | PI Steam Generator (26) |
| Income Statement | | | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | | | |
| 1 Retail | | | | | | | | | | | | | |
| 2 Interdepartmental | | | | | | | | | | | | | |
| 3 Other Operating | | | | | | | | | | | | | |
| 4 Total Operating Revenues | \$0 | - | - | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | | | |
| 5 Fuel & Purchased Energy | | | | | | | | | | | | | |
| 6 Power Production | | | | | | | | | | | | | |
| 7 Transmission | | | | | | | | | | | | | |
| 8 Distribution | | | | | | | | | | | | | |
| 9 Customer Accounting | | | | | | | | | | | | | |
| 10 Customer Service & Information | | | | | | | | | | | | | |
| 11 Sales, Econ Dvlp & Other | | | | | | | | | | | | | |
| 12 Administrative & General | | | (23) | | | | | | | | | | |
| 13 Total Operating Expenses | \$0 | - | (23) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 Depreciation | | | | \$655 | \$281 | \$1,902 | \$400 | \$1,050 | \$267 | \$4,098 | \$332 | \$14,295 | \$1,401 |
| 15 Amortization | \$206 | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | | |
| 16 Property | | | | \$125 | \$78 | \$104 | \$103 | \$258 | \$67 | \$236 | \$98 | \$3,942 | |
| 17 Deferred Income Tax & ITC | | | | \$10 | (\$2,261) | \$252 | (\$2,038) | \$5,356 | (\$53) | \$750 | (\$30) | (\$18,102) | \$28,212 |
| 18 Federal & State Income Tax | (\$88) | 1,097 | 9 | (\$433) | \$2,062 | (\$1,149) | \$1,691 | (\$5,940) | (\$122) | (\$2,702) | (\$220) | \$13,549 | (\$28,024) |
| 19 Payroll & Other | | | | | | | | | | | | | |
| 20 Total Taxes | (\$88) | 1,097 | 9 | (\$298) | (\$121) | (\$793) | (\$244) | (\$326) | (\$108) | (\$1,716) | (\$152) | (\$611) | \$188 |
| 21 Total Expenses | \$118 | \$1,097 | (\$14) | \$357 | \$160 | \$1,109 | \$156 | \$724 | \$159 | \$2,382 | \$180 | \$13,684 | \$1,589 |
| 22 Allowance for Funds Used During Construction | | | | | | | | | | | | | |
| 23 Total Operating Income | (\$118) | (\$1,097) | \$14 | (\$357) | (\$160) | (\$1,109) | (\$156) | (\$724) | (\$159) | (\$2,382) | (\$180) | (\$13,684) | (\$1,589) |

Note: See Volume 3, Pro Forma Adjustments for details. T1

(\$000's)

| | PF26 | PF27 | PF28 | PF29 | PF30 | PF31 | PF32 | PF33 | PF34 | PF35 | PF36 |
|-------------------------------------------------|-------------------------|---------------------------------------|------------------------------------|---------------------------------|--------------------------------------|----------------------------------|---------------------------------|------------------------------------------------|----------------------------------|----------------------------------|---------------------------|
| | Sherco 3 HFU (27) | Sherco 3 Cooling Towers (28) | Nuclear Decommissioning (29) | Steam Remaining Life (30) | Other Prod Remaining Life (31) | Remain Life Mn Valley (32) | Remain Life BL/GC/KC (33) | EL11-019 Depreciation Adjustment (34) | Net Operating Loss (35) | Union Wage Adjustment (36) | Margin Sharing (37) |
| Income Statement | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | |
| 1 Retail | | | | | | | | | | | |
| 2 Interdepartmental | | | | | | | | | | | |
| 3 Other Operating | | | | | | | | | | | (13,316) |
| 4 Total Operating Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | - | \$0 | \$0 | \$0 | (\$13,316) |
| Expenses | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | |
| 5 Fuel & Purchased Energy | | | | | | | | | | | |
| 6 Power Production | | | | | | | | | | | (\$1,372) |
| 7 Transmission | | | | | | | | | | | |
| 8 Distribution | | | | | | | | | | | |
| 9 Customer Accounting | | | | | | | | | | | |
| 10 Customer Service & Information | | | | | | | | | | | |
| 11 Sales, Econ Dvlp & Other | | | | | | | | | | | |
| 12 Administrative & General | | | | | | | | | | \$440 | |
| 13 Total Operating Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | - | - | \$0 | \$0 | \$440 | (\$1,372) |
| 14 Depreciation | \$1,022 | \$683 | \$1,015 | (\$13,232) | \$4,704 | 1,392 | (5,342) | (\$12,021) | | | |
| 15 Amortization | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | |
| 16 Property | \$164 | | | | | | | | | | |
| 17 Deferred Income Tax & ITC | (\$417) | \$2,428 | (\$414) | \$5,393 | (\$1,917) | (567) | 2,177 | \$4,899 | (\$187,676) | | |
| 18 Federal & State Income Tax | (\$265) | (\$2,766) | \$4 | (\$138) | \$49 | 15 | (56) | (\$125) | \$185,266 | (\$179) | (\$4,871) |
| 19 Payroll & Other | | | | | | | | | | | |
| 20 Total Taxes | (\$518) | (\$338) | (\$410) | \$5,255 | (\$1,868) | (552) | 2,121 | \$4,774 | (\$2,410) | (\$179) | (\$4,871) |
| 21 Total Expenses | \$504 | \$345 | \$605 | (\$7,977) | \$2,836 | \$840 | (\$3,221) | (\$7,247) | (\$2,410) | \$261 | (\$6,243) |
| 22 Allowance for Funds Used During Construction | | | | | | | | | | | |
| 23 Total Operating Income | (\$504) | (\$345) | (\$605) | \$7,977 | (\$2,836) | (\$840) | \$3,221 | \$7,247 | \$2,410 | (\$261) | (\$7,073) |

Note: See Volume 3, Pro Forma Adjustments for details. T1

(\$000's)

| | PF37 | PF38 | PF39 | PF40 | PF41 | PF42 | PF43 | PF44 | PF45 | PF46 | PF47 | PF48 |
|---------------------------|------------------------------|-----------------------------------------------|------------------------------------------|-------------------------------------|--------------------------------------------|----------------------------------------|----------------------|-----------------------------------------|-------------------------------------------------|-----------------------------|------------------------------|------------------------------|
| | Wholesale Billing (38) | Foundation Administration Costs (39) | Employee Expense Reduction (40) | Pension and Insurance (41) | Weather Normalized Allocator (42) | EL11-019 Low End Outcome (43) | Aviation Adj (44) | Service Company Allocator (45) | Conservati on/DSM Cost Removal (46) | Tax Availability (47) | TCR Rider Removal (48) | ECR Rider Removal (49) |
| Income Statement | | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | | |
| 1 | | | | | | 8,045 | | | | | (\$189) | (\$205) |
| 2 | | | | | | | | | | | | |
| 3 | | | | | 32 | | | | | | (514) | |
| 4 | \$0 | \$0 | \$0 | \$0 | 32 | 8,045 | - | \$0 | \$0 | - | (\$703) | (\$205) |
| Expenses | | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | 188 | | | (\$22) | | | | |
| 7 | | | | | (9) | | | (\$17) | | | (\$701) | |
| 8 | | | | | | | | (\$1) | | | | |
| 9 | | | | | | | | \$35 | | | | |
| 10 | | | | | | | | | (\$186) | | | |
| 11 | | | | | | | | | | | | |
| 12 | | (\$303) | (\$128) | \$11,378 | | | (997) | \$10,973 | (\$3) | | | |
| 13 | \$0 | (\$303) | (\$128) | \$11,378 | 179 | - | (997) | \$10,968 | (\$189) | - | (\$701) | \$0 |
| 14 | | | | | | | | | | | (\$65) | |
| 15 | | | | | | 59 | | | | | (\$189) | \$58 |
| Taxes: | | | | | | | | | | | | |
| 16 | | | | | | | | | | | (\$27) | |
| 17 | | | | | | | | | | | (\$127) | |
| 18 | \$0 | \$126 | \$52 | (\$4,640) | (59) | 3,281 | 407 | (\$4,473) | \$77 | 4 | \$266 | (\$107) |
| 19 | | (\$7) | | | | | | | | | | |
| 20 | \$0 | \$119 | \$52 | (\$4,640) | (59) | 3,281 | 407 | (\$4,473) | \$77 | 4 | \$112 | (\$107) |
| 21 | \$0 | (\$184) | (\$76) | \$6,738 | \$120 | \$3,340 | (\$590) | \$6,495 | (\$112) | \$4 | (\$843) | (\$49) |
| 22 | | | | | | | | | | | | |
| 23 | \$0 | \$184 | \$76 | (\$6,738) | (\$88) | \$4,705 | \$590 | (\$6,495) | \$112 | (\$4) | \$140 | (\$156) |

Note: See Volume 3, Pro Forma Adjustments for details. T1

(\$000's)

| | PF49 | PF50 | PF51 | PF52 | PF53 | PF54 | PF55 | | |
|---------------------------|----------------------------------------------|----------------------|----------------------------------------------|-------------------------------|-----------------------------------------|-----------------------------------------|---------------------------------|------------------|-------------------------|
| | Private Fuel Storage (50) | SO2 Emission (51) | Prior Period Rate Case Expense (52) | Rider Amortization (53) | Black Dog Write Off Amort (54) | Total Company Adjustments (55) | Cash Working Capital (56) | Rounding (57) | NSP Position (58) |
| Income Statement | | | | | | | | | |
| Operating Revenues | | | | | | | | | |
| 1 | Retail | | - | | | - | | | 3,118,088 |
| 2 | Interdepartmental | | | | | - | | | 548 |
| 3 | Other Operating | - | | | (36) | (2,816) | | | 658,638 |
| 4 | Total Operating Revenues | - | - | - | (36) | - | (2,816) | - | \$0 3,777,274 |
| Expenses | | | | | | | | | |
| Operating Expenses: | | | | | | | | | |
| 5 | Fuel & Purchased Energy | | | | | | | | 1,228,064 |
| 6 | Power Production | | | | | (747) | (1,409) | | 738,723 |
| 7 | Transmission | - | | | | | (3,276) | | 191,059 |
| 8 | Distribution | | | | | | - | | 112,873 |
| 9 | Customer Accounting | | | | | | - | | 59,283 |
| 10 | Customer Service & Information | | | | | | (154) | | 115,326 |
| 11 | Sales, Econ Dvlp & Other | | | | | | - | | 254 |
| 12 | Administrative & General | | | | | | (1,594) | | 212,214 |
| 13 | Total Operating Expenses | - | - | - | - | (747) | (6,433) | - | 2,657,796 |
| 14 | Depreciation | | | | | | | | 347,673 |
| 15 | Amortization | 168 | (45) | | 131 | 373 | 23,880 | - | 24,694 |
| Taxes: | | | | | | | | | |
| 16 | Property | | | | | | - | | 128,737 |
| 17 | Deferred Income Tax & ITC | | | | | | - | | 190,787 |
| 18 | Federal & State Income Tax | (65) | 18 | (24) | (68) | 153 | (8,263) | (11) | (26,168) |
| 19 | Payroll & Other | | | | | | - | | 30,956 |
| 20 | Total Taxes | (65) | 18 | (24) | (68) | 153 | (8,263) | (11) | \$0 324,312 |
| 21 | Total Expenses | \$103 | (\$27) | (\$24) | \$63 | (\$221) | \$9,184 | (\$11) | \$0 3,354,475 |
| 22 | Allowance for Funds Used During Construction | | | | | | | | |
| 23 | Total Operating Income | (\$103) | \$27 | \$24 | (\$99) | 221 | (12,000) | 11 | - 422,799 |

Note: See Volume 3, Pro Forma Adjustments for details. T1

| Line | No. Description | Unadjusted | PF12 | PF13 | PF16 | PF17 | PF18 | PF19 | PF20 | PF21 | PF22 | PF23 | PF24 | PF25 | PF26 | PF27 | PF28 |
|------|-----------------------------------------|--------------|---------------------------|------------------------------|--------------------------------|----------------------------|----------------------------|----------------------------------|--------------------------------|-----------------------------------|-------------------------------------|----------------------------------|--------------------------|-------------------------------|----------------------|---------------------------------------|------------------------------------|
| | | | SFAS 106 Pay Go (1) | CY Rate Case Costs (2) | Black Dog CT Exhaust (3) | Monti Appendix R (4) | Monti Fire Model (5) | Prairie Island ZE Pipe (6) | Prairie Island Casks (7) | Prairie Island Rec Whse (8) | Prairie Island Fire Model (9) | Prairie Island H Line (10) | Monti EPU/LCM (11) | PI Steam Generator (12) | Sherco 3 HFU (13) | Sherco 3 Cooling Towers (14) | Nuclear Decommissioning (15) |
| | Electric Plant as Booked | | | | | | | | | | | | | | | | |
| 1 | Production | \$7,874,225 | | | \$11,452 | \$5,193 | \$9,488 | \$8,293 | \$22,417 | \$5,806 | \$20,489 | \$7,101 | \$250,101 | \$35,663 | \$17,079 | \$7,288 | \$0 |
| 2 | Transmission | \$1,870,115 | | | | | | | | | | | | | | | |
| 3 | Distribution | \$3,068,006 | | | | | | | | | | | | | | | |
| 4 | General | \$384,295 | | | | | | | | | | | | | | | |
| 5 | Common | \$441,716 | | | | | | | | | | | | | | | |
| 6 | TOTAL Utility Plant in Service | \$13,638,357 | \$0 | \$0 | \$11,452 | \$5,193 | \$9,488 | \$8,293 | \$22,417 | \$5,806 | \$20,489 | \$7,101 | \$250,101 | \$35,663 | \$17,079 | \$7,288 | \$0 |
| | Reserve for Depreciation | | | | | | | | | | | | | | | | |
| 7 | Production | \$4,416,030 | | | (\$199) | \$602 | \$1,015 | \$497 | \$693 | \$234 | \$3,243 | \$178 | \$6,944 | (\$5,496) | \$414 | \$60 | \$508 |
| 8 | Transmission | \$619,010 | | | | | | | | | | | | | | | |
| 9 | Distribution | \$1,255,350 | | | | | | | | | | | | | | | |
| 10 | General | \$136,815 | | | | | | | | | | | | | | | |
| 11 | Common | \$277,291 | | | | | | | | | | | | | | | |
| 12 | TOTAL Reserve for Depreciation | \$6,704,495 | \$0 | \$0 | (\$199) | \$602 | \$1,015 | \$497 | \$693 | \$234 | \$3,243 | \$178 | \$6,944 | (\$5,496) | \$414 | \$60 | \$508 |
| | Net Utility Plant in Service | | | | | | | | | | | | | | | | |
| 13 | Production | \$3,458,195 | \$0 | \$0 | \$11,651 | \$4,591 | \$8,473 | \$7,796 | \$21,724 | \$5,572 | \$17,246 | \$6,923 | \$243,157 | \$41,159 | \$16,665 | \$7,228 | (\$508) |
| 14 | Transmission | \$1,251,105 | | | | | | | | | | | | | | | |
| 15 | Distribution | \$1,812,656 | | | | | | | | | | | | | | | |
| 16 | General | \$247,480 | | | | | | | | | | | | | | | |
| 17 | Common | \$164,425 | | | | | | | | | | | | | | | |
| 18 | Net Utility Plant in Service | \$6,933,862 | \$0 | \$0 | \$11,651 | \$4,591 | \$8,473 | \$7,796 | \$21,724 | \$5,572 | \$17,246 | \$6,923 | \$243,157 | \$41,159 | \$16,665 | \$7,228 | (\$508) |
| 19 | Utility Plant Held for Future Use | \$0 | | | | | | | | | | | | | | | |
| 20 | Construction Work in Progress | \$0 | | | | | | | | | | | | | | | |
| 21 | Less: Accumulated Deferred Income Taxes | \$1,551,661 | \$28,219 | \$0 | \$2,358 | \$1,284 | \$733 | \$1,024 | \$7,963 | \$1,987 | \$1,438 | \$2,286 | \$31,549 | \$12,780 | (\$208) | \$1,275 | (\$207) |
| 22 | Cash Working Capital | (\$67,148) | | | | | | | | | | | | | | | |
| | Other Rate Base Items: | | | | | | | | | | | | | | | | |
| 23 | Non-Plant Assets & Liabilities | (\$79,421) | \$69,196 | | | | | | | | | | | | | | |
| 24 | Materials and Supplies | \$124,370 | | | | | | | | | | | | | | | |
| 25 | Fuel Inventory | \$87,684 | | | | | | | | | | | | | | | |
| 26 | Prepayments | \$18,693 | | | | | | | | | | | | | | | |
| 27 | Nuclear Outage Amortization | \$61,777 | | | | | | | | | | | | | | | |
| 28 | SD Private Fuel Amortization | \$765 | | | | | | | | | | | | | | | |
| 29 | SD Rate Case Expense Amortization | \$190 | | \$310 | | | | | | | | | | | | | |
| 30 | SD AFUDC Amortization | \$4,824 | | | | | | | | | | | | | | | |
| 31 | Other Working Capital | \$4,545 | | | | | | | | | | | | | | | |
| 32 | Interest on Customer Deposits | (\$3,338) | | | | | | | | | | | | | | | |
| 33 | Customer Advances | (\$1,974) | | | | | | | | | | | | | | | |
| 34 | SD SO2 Emission Allow Sales Amort | (\$157) | | | | | | | | | | | | | | | |
| 35 | Tax Collections Available | \$0 | | | | | | | | | | | | | | | |
| 36 | Total Other Rate Base Items | \$217,958 | \$69,196 | \$310 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 37 | Total Average Rate Base | \$5,533,011 | \$40,977 | \$310 | \$9,293 | \$3,307 | \$7,740 | \$6,772 | \$13,761 | \$3,585 | \$15,808 | \$4,637 | \$211,608 | \$28,379 | \$16,873 | \$5,953 | (\$301) |

Note: See Volume 3, Pro Forma Adjustments for details. There is a tab per column heading for each adjustment

| Line No. Description | PF29 | PF30 | PF31 | PF32 | PF33 | PF34 | PF41 | PF46 | PF47 | PF49 | PF50 | PF51 | Income Statement (28) | Pro Forma |
|--------------------------------------------|------------------------------------|-----------------------------------------|----------------------------------------|---------------------------------------|------------------------------------------------|-------------------------------|--------------------------------------------|-----------------------------|------------------------------|---------------------------------|-------------------------|----------------------------------------------|-----------------------------|--------------|
| | Steam Remaining Life (16) | Other Prod Remaining Life (17) | Remaining Life Mn Valley (18) | Remaining Life BL/GC/KC (19) | EL11-019 Depreciation Adjustment (20) | Net Operating Loss (21) | Weather Normalized Allocator (22) | Tax Availability (23) | TCR Rider Removal (24) | Private Fuel Storage (25) | SO2 Emission (26) | Prior Period Rate Case Expense (27) | | |
| Electric Plant as Booked | | | | | | | | | | | | | | |
| 1 Production | | | | | | | (\$215) | | | | | | | \$8,274,380 |
| 2 Transmission | | | | | | | (\$80) | | (\$2,613) | | | | | \$1,867,422 |
| 3 Distribution | | | | | | | | | | | | | | \$3,068,006 |
| 4 General | | | | | | | | | | | | | | \$384,295 |
| 5 Common | | | | | | | | | | | | | | \$441,716 |
| 6 TOTAL Utility Plant in Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$295) | \$0 | (\$2,613) | \$0 | \$0 | \$0 | | \$14,035,819 |
| Reserve for Depreciation | | | | | | | | | | | | | | |
| 7 Production | (\$19,849) | \$7,056 | \$2,087 | (\$8,012) | (\$8,013) | | (\$186) | | | | | | | \$4,397,806 |
| 8 Transmission | | | | | (\$7,469) | | (\$27) | | (\$55) | | | | | \$611,459 |
| 9 Distribution | | | | | (\$2,550) | | | | | | | | | \$1,252,800 |
| 10 General | | | | | | | | | | | | | | \$136,815 |
| 11 Common | | | | | | | | | | | | | | \$277,291 |
| 12 TOTAL Reserve for Depreciation | (\$19,849) | \$7,056 | \$2,087 | (\$8,012) | (\$18,032) | \$0 | (\$213) | \$0 | (\$55) | \$0 | \$0 | \$0 | | \$6,676,170 |
| Net Utility Plant in Service | | | | | | | | | | | | | | |
| 13 Production | \$19,849 | (\$7,056) | (\$2,087) | \$8,012 | \$8,013 | | (\$29) | | | | | | | \$3,876,574 |
| 14 Transmission | | | | | \$7,469 | | (\$53) | | (\$2,558) | | | | | \$1,255,963 |
| 15 Distribution | | | | | \$2,550 | | | | | | | | | \$1,815,206 |
| 16 General | | | | | | | | | | | | | | \$247,480 |
| 17 Common | | | | | | | | | | | | | | \$164,425 |
| 18 Net Utility Plant in Service | \$19,849 | (\$7,056) | (\$2,087) | \$8,012 | \$18,032 | \$0 | (\$82) | \$0 | (\$2,558) | \$0 | \$0 | \$0 | | \$7,359,649 |
| 19 Utility Plant Held for Future Use | | | | | | | | | | | | | | \$0 |
| 20 Construction Work in Progress | | | | | | | | | | | | | | \$0 |
| 21 Less: Accumulated Deferred Income Taxes | \$8,091 | (\$2,876) | (\$851) | \$3,266 | \$7,350 | (\$205,248) | (\$12) | \$0 | (\$194) | \$0 | \$0 | \$0 | | \$1,453,668 |
| 22 Cash Working Capital | | | | | | | | | | | | | \$919 | (\$66,229) |
| Other Rate Base Items: | | | | | | | | | | | | | | |
| 23 Non-Plant Assets & Liabilities | | | | | | | | | | | | | | (\$10,225) |
| 24 Materials and Supplies | | | | | | | | | | | | | | \$124,370 |
| 25 Fuel Inventory | | | | | | | | | | | | | | \$87,684 |
| 26 Prepayments | | | | | | | | | | | | | | \$18,693 |
| 27 Nuclear Outage Amortization | | | | | | | | | | | | | | \$61,777 |
| 28 SD Private Fuel Amortization | | | | | | | | | | (\$260) | | | | \$505 |
| 29 SD Rate Case Expense Amortization | | | | | | | | | | | | (\$20) | | \$480 |
| 30 SD AFUDC Amortization | | | | | | | | | | | | | | \$4,824 |
| 31 Other Working Capital | | | | | | | | | | | | | | \$4,545 |
| 32 Interest on Customer Deposits | | | | | | | | | | | | | | (\$3,338) |
| 33 Customer Advances | | | | | | | | | | | | | | (\$1,974) |
| 34 SD SO2 Emission Allow Sales Amort | | | | | | | | | | | \$47 | | | (\$110) |
| 35 Tax Collections Available | | | | | | | | (\$375) | | | | | | (\$375) |
| 36 Total Other Rate Base Items | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$375) | \$0 | (\$260) | \$47 | (\$20) | \$0 | \$286,856 |
| 37 Total Average Rate Base | \$11,758 | (\$4,180) | (\$1,236) | \$4,746 | \$10,682 | \$205,248 | (\$70) | (\$375) | (\$2,364) | (\$260) | \$47 | (\$20) | \$919 | \$6,126,608 |

Note: See Volume 3, Pro Forma Adjustments for details.

Northern States Power Company, a Minnesota corporation
 Electric Utility - Total Company and State of South Dakota
 Actual Year Ended December 31, 2011
 Summary of Unadjusted Operating Revenues and Expenses
 (\$000's)

Docket No. EL12-____
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| | <u>Description</u> | <u>Total Company</u> | <u>State of South Dakota</u> |
|---------------------|---------------------------------|--------------------------|--------------------------------------|
| Operating Revenues | | | |
| 1 | Retail | 3,111,896 | 161,860 |
| 2 | CIP Adjustment to Program Costs | - | - |
| 3 | Interdepartmental | 548 | - |
| 4 | Other Operating | 675,288 | 35,881 |
| 5 | Gross Earnings Tax | - | - |
| 6 | Total Operating Revenues | <u>3,787,732</u> | <u>197,741</u> |
| Expenses | | | |
| Operating Expenses: | | | |
| 7 | Fuel & Purchased Energy | 1,228,707 | 69,068 |
| 8 | Power Production | 742,085 | 42,692 |
| 9 | Transmission | 195,079 | 11,258 |
| 10 | Distribution | 112,987 | 6,927 |
| 11 | Customer Accounting | 59,248 | 3,918 |
| 12 | Customer Service & Information | 116,324 | 477 |
| 13 | Sales, Econ Dvlp & Other | 55 | 2 |
| 14 | Administrative & General | 203,876 | 12,111 |
| 15 | Total Operating Expenses | <u>2,658,361</u> | <u>146,453</u> |
| 16 | Depreciation | 344,836 | 21,917 |
| 17 | Amortization | 53 | 54 |
| Taxes: | | | |
| 18 | Property | 123,589 | 5,701 |
| 19 | Gross Earnings | - | - |
| 20 | Deferred Income Tax & ITC | 354,839 | 21,137 |
| 21 | State & Federal Income | (173,508) | (14,451) |
| 22 | Payroll & Other | 30,963 | 1,846 |
| 23 | Total Taxes | <u>335,883</u> | <u>14,233</u> |
| 24 | Total Expenses | 3,339,133 | 182,657 |
| 25 | AFUDC | - | - |
| 26 | Total Operating Income | <u>448,599</u> | <u>15,084</u> |

Northern States Power Company, a Minnesota corporation
 Electric Utility - Total Company and State of South Dakota
 Actual Year Ended December 31, 2011
 Summary of Unadjusted Rate Base
 (\$000's)

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 Statement M
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| | <u>Description</u> | <u>Total Company</u> | <u>State of South Dakota</u> |
|----|-----------------------------------------|---------------------------|--------------------------------------|
| | Electric Plant as Booked | | |
| 1 | Production | \$7,874,225 | \$453,592 |
| 2 | Transmission | \$1,870,115 | \$107,575 |
| 3 | Distribution | \$3,068,006 | \$188,213 |
| 4 | General | \$384,295 | \$22,491 |
| 5 | Common | \$441,716 | \$26,014 |
| 6 | TOTAL Utility Plant in Service | <u>\$13,638,357</u> | <u>\$797,885</u> |
| | <u>Reserve for Depreciation</u> | | |
| 7 | Production | \$4,416,030 | \$254,730 |
| 8 | Transmission | \$619,010 | \$35,625 |
| 9 | Distribution | \$1,255,350 | \$75,735 |
| 10 | General | \$136,815 | \$8,006 |
| 11 | Common | \$277,291 | \$16,363 |
| 12 | TOTAL Reserve for Depreciation | <u>\$6,704,495</u> | <u>\$390,459</u> |
| | Net Utility Plant in Service | | |
| 13 | Production | \$3,458,195 | \$198,862 |
| 14 | Transmission | \$1,251,105 | \$71,950 |
| 15 | Distribution | \$1,812,656 | \$112,478 |
| 16 | General | \$247,480 | \$14,485 |
| 17 | Common | \$164,425 | \$9,651 |
| 18 | Net Utility Plant in Service | <u>\$6,933,862</u> | <u>\$407,426</u> |
| 19 | Utility Plant Held for Future Use | \$0 | \$0 |
| 20 | Construction Work in Progress | \$0 | \$0 |
| 21 | Less: Accumulated Deferred Income Taxes | \$1,551,661 | \$92,191 |
| 22 | Cash Working Capital | (\$67,148) | (\$2,498) |
| | Other Rate Base Items: | | |
| 23 | Non-Plant Assets & Liabilities | (\$79,421) | (\$4,740) |
| 24 | Materials and Supplies | \$124,370 | \$7,206 |
| 25 | Fuel Inventory | \$87,684 | \$4,958 |
| 26 | Prepayments | \$18,693 | \$1,087 |
| 27 | Nuclear Outage Amortization | \$61,777 | \$3,531 |
| 28 | SD Private Fuel Amortization | \$765 | \$765 |
| 29 | SD Rate Case Expense Amortization | \$190 | \$190 |
| 30 | SD AFUDC Amortization | \$4,824 | \$4,824 |
| 31 | Other Working Capital | \$4,545 | \$241 |
| 32 | Interest on Customer Deposits | (\$3,338) | (\$201) |
| 33 | Customer Advances | (\$1,974) | (\$338) |
| 34 | SD SO2 Emission Allow Sales Amort | (\$157) | (\$157) |
| 35 | Tax Collections Available | \$0 | \$0 |
| 36 | Total Other Rate Base Items | <u>\$217,958</u> | <u>\$17,366</u> |
| 37 | Total Average Rate Base | <u><u>\$5,533,011</u></u> | <u><u>\$330,103</u></u> |