

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 11101498 PI-9 TN-40 Casks (30-38)
 2011 Test Year South Dakota Electric Rate Case - 2011 Rev Requirement
 (000's)

Rate Analysis

Total Company SD Jurisdiction

| | | |
|------------------------------------|------------|----------|
| Plant Investment | - | - |
| Depreciation Reserve | - | - |
| CWIP | - | - |
| Accumulated Deferred Taxes | (51) | (2) |
| | <u>51</u> | <u>2</u> |
| | | |
| Average Rate Base | 51 | 2 |
| Tax Prefereced Items: | | |
| Tax Depreciation & Removal Expense | - | - |
| Avoided Tax Interest | 464 | 22 |
| | | |
| Debt Return | 1 | 0 |
| Equity Return | 3 | 0 |
| Current Income Tax Requirement | 204 | 10 |
| | | |
| Book Depreciation | - | - |
| Annual Deferred Tax | (87) | (4) |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | - | - |
| Total Revenue Requirements | 121 | 6 |

| Last Authorized | | | |
|-------------------------|----------|----------|----------------|
| Capital Structure | Rate | Ratio | Weighted Cost |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | <u>7.7900%</u> |
| | | | |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depre+Def Tx+ITC-Tax Depre-ADUDC+Avoid Tax)* T/(1-T)

Dt Ret+Eq Ret+Cur Tax+Bk Depre+Def Tax+ITC+ADUDC+Prop Tax

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 11101498 PI-9 TN-40 Casks (30-38)
 2011 Test Year South Dakota Electric Rate Case - 2013 Step Rev Requirement
 (000's)

| <u>Rate Analysis</u> | <u>Total Company SD Jurisdiction</u> | |
|------------------------------------|--------------------------------------|------------|
| Plant Investment | 26,749 | 1,294 |
| Depreciation Reserve | 827 | 40 |
| CWIP | - | - |
| Accumulated Deferred Taxes | 9,502 | 460 |
| | 16,420 | 794 |
| | | |
| Average Rate Base | 16,420 | 794 |
| Tax Preferreded Items: | | |
| Tax Depreciation & Removal Expense | 17,373 | 840 |
| Avoided Tax Interest | 772 | 37 |
| | | |
| Debt Return | 473 | 23 |
| Equity Return | 806 | 39 |
| Current Income Tax Requirement | (4,389) | (212) |
| | | |
| Book Depreciation | 1,252 | 61 |
| Annual Deferred Tax | 6,391 | 309 |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | 308 | 15 |
| Total Revenue Requirements | 4,841 | 235 |

| Last Authorized | | | |
|--------------------------|-------------|--------------|----------------------|
| <u>Capital Structure</u> | <u>Rate</u> | <u>Ratio</u> | <u>Weighted Cost</u> |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | 7.7900% |
| | | | |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depre+Def Tx+ITC-Tax Depre-ADUDC+Avoid Tax)* T/i

Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Dt Ret+Eq Ret+Cur Tax+Bk Depre+Def Tax+ITC+ADUDC+Prop Ta

Property Tax Rate 0.0000%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|-----------------------------|---------------|-------------|------------------------|-------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |
| Plant | | | | | | |
| | Total Company | | Total Company after IA | | SD Jurisdiction | |
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |
| Reserve | | | | | | |
| | Total Company | | Total Company after IA | | SD Jurisdiction | |
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |
| Accumulated Deferred | | | | | | |
| | Total Company | | Total Company after IA | | SD Jurisdiction | |
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | (50,753.00) | (50,753.00) | (42,531.98) | (42,531.98) | (2,454.61) | (2,454.61) |
| COSS Adj (000's) | (51) | (51) | (43) | (43) | (2) | (2) |

PF-20-4

Northern States Power, a Minnesota corporation
 2011 Test-Year Actual
 11101498 PI-9 TN-40 Casks (30-38)

Property Tax Rate 0.0000%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - | - | - |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | (86,715.87) | (72,669.55) | (4,193.90) |
| COSS Adj (000's) | (87) | (73) | (4) |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - | - | - |

AFUDC (Not allowed in SD)

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - | - | - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 464,270.24 | 389,067.28 | 22,453.85 |
| COSS Adj (000's) | 464 | 389 | 22 |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - | - | - |

PF20-5

Northern States Power, a Minnesota corporation
 Annual Revenue Requirement
 11101498 PI-9 TN-40 Casks (30-38)
 2011 Test Year South Dakota Electric Rate Case - 2013 Rev Requirement
 (000's)

| <u>Rate Analysis</u> | <u>Total Company SD Jurisdiction</u> | |
|------------------------------------|--------------------------------------|------------|
| Plant Investment | 26,749 | 1,294 |
| Depreciation Reserve | 827 | 40 |
| CWIP | - | - |
| Accumulated Deferred Taxes | 9,452 | 457 |
| | <u>16,470</u> | <u>797</u> |
| Average Rate Base | 16,470 | 797 |
| Tax Prefenced Items: | | |
| Tax Depreciation & Removal Expense | 17,373 | 840 |
| Avoided Tax Interest | 1,236 | 60 |
| Debt Return | 474 | 23 |
| Equity Return | 809 | 39 |
| Current Income Tax Requirement | (4,185) | (202) |
| Book Depreciation | 1,252 | 61 |
| Annual Deferred Tax | 6,305 | 305 |
| ITC Flow Thru | - | - |
| AFUDC Expenditure | - | - |
| Property Taxes | 308 | 15 |
| Total Revenue Requirements | 4,963 | 241 |

| Last Authorized | | | |
|--------------------------|-----------------|--------------|----------------------|
| <u>Capital Structure</u> | <u>Rate</u> | <u>Ratio</u> | <u>Weighted Cost</u> |
| Long Term Debt | 6.1300% | 46.9600% | 2.8800% |
| Short Term Debt | 0.0000% | 0.0000% | 0.0000% |
| Preferred Stock | 0.0000% | 0.0000% | 0.0000% |
| Common Equity | 9.2500% | 53.0400% | 4.9100% |
| Required Rate of Return | | | <u>7.7900%</u> |
| Tax Rate (SD) | 35.0000% | | |

Ave RB * Weighted Cost of St & LT Debt
 Ave RB * Weighted Cost of Equity
 (Eq Ret+Bk Depr+Def Tx+ITC-Tax Depr-ADUDC+Avoid Tax)* T/

Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Per 2012 Step tab
 Dt Ret+Eq Ret+Cur Tax+Bk Depr+Def Tax+ITC+ADUDC+Prop Ta

Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|-----|------------------------|-----|-----------------|-----|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |

Plant

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|---------------|------------------------|---------------|-----------------|--------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 26,749,461.00 | 26,749,461.00 | 22,416,556.56 | 22,416,556.56 | 1,293,704.31 | 1,293,704.31 |
| COSS Adj (000's) | 26,749 | 26,749 | 22,417 | 22,417 | 1,294 | 1,294 |

Reserve

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|------------|------------------------|------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 826,589.00 | 826,589.00 | 692,697.29 | 692,697.29 | 39,976.95 | 39,976.95 |
| COSS Adj (000's) | 827 | 827 | 693 | 693 | 40 | 40 |

Accumulated Deferred

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 9,502,437.00 | 9,502,437.00 | 7,963,222.75 | 7,963,222.75 | 459,573.51 | 459,573.51 |
| COSS Adj (000's) | 9,502 | 9,502 | 7,963 | 7,963 | 460 | 460 |

PF20-8

Northern States Power, a Minnesota corporation
 2013 Step Adjustment
 11101498 PI-9 TN-40 Casks (30-38)

Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 1,252,440.34 | 1,049,568.80 | 60,572.71 |
| COSS Adj (000's) | - 1,252 | - 1,050 | - 61 |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 6,391,371.97 | 5,356,091.15 | 309,110.73 |
| COSS Adj (000's) | - 6,391 | - 5,356 | - 309 |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 17,373,239.13 | 14,559,104.48 | 840,235.04 |
| COSS Adj (000's) | - 17,373 | - 14,559 | - 840 |

AFUDC

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 771,666.31 | 646,671.03 | 37,320.68 |
| COSS Adj (000's) | - 772 | - 647 | - 37 |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 307,618.80 | 257,790.40 | 14,877.60 |
| COSS Adj (000's) | - 308 | - 258 | - 15 |

PF20-9

Property Tax Rate 1.1500%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

CWIP (Not Allowed in SD)

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|-----|------------------------|-----|-----------------|-----|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | - | - | - | - | - | - |
| COSS Adj (000's) | - | - | - | - | - | - |

Plant

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|---------------|------------------------|---------------|-----------------|--------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 26,749,461.00 | 26,749,461.00 | 22,416,556.56 | 22,416,556.56 | 1,293,704.31 | 1,293,704.31 |
| COSS Adj (000's) | 26,749 | 26,749 | 22,417 | 22,417 | 1,294 | 1,294 |

Reserve

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|------------|------------------------|------------|-----------------|-----------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 826,589.00 | 826,589.00 | 692,697.29 | 692,697.29 | 39,976.95 | 39,976.95 |
| COSS Adj (000's) | 827 | 827 | 693 | 693 | 40 | 40 |

Accumulated Deferred

| | Total Company | | Total Company after IA | | SD Jurisdiction | |
|------------------|---------------|--------------|------------------------|--------------|-----------------|------------|
| | BOY | EOY | BOY | EOY | BOY | EOY |
| Production | 9,451,684.00 | 9,451,684.00 | 7,920,690.77 | 7,920,690.77 | 457,118.91 | 457,118.91 |
| COSS Adj (000's) | 9,452 | 9,452 | 7,921 | 7,921 | 457 | 457 |

PF20-10

Property Tax Rate 1.1500%
 Demand Prod SD Jur % 5.7712%
 Demand MN Co % 83.8019%
 South Dakota Post I/A 4.8364%

Book Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 1,252,440.34 | 1,049,568.80 | - 60,572.71 |
| COSS Adj (000's) | - 1,252 | - 1,050 | - 61 |

Annual Deferred

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 6,304,656.10 | 5,283,421.60 | - 304,916.83 |
| COSS Adj (000's) | - 6,305 | - 5,283 | - 305 |

Tax Depreciation

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 17,373,239.13 | 14,559,104.48 | - 840,235.04 |
| COSS Adj (000's) | - 17,373 | - 14,559 | - 840 |

AFUDC (Not allowed in SD)

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | - | - | - |
| COSS Adj (000's) | - - | - - | - - |

Avoided Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 1,235,936.55 | 1,035,738.31 | - 59,774.53 |
| COSS Adj (000's) | - 1,236 | - 1,036 | - 60 |

Property Tax

| | Total Company Annual | Total Company after IA Annual | SD Jurisdiction Annual |
|------------------|-------------------------|----------------------------------|---------------------------|
| Production | 307,618.80 | 257,790.40 | - 14,877.60 |
| COSS Adj (000's) | - 308 | - 258 | - 15 |

PF20-11