

## Section G

**20:10:13:72. Statement G -- Rate of return.** Statement G shall show the percentage rate of return claimed, with a brief statement of its basis. The statement shall show the cost of debt capital, preferred stock capital, and the return on the stockholder's equity resulting from the overall rate of return claimed, based upon the utility's capitalization. In addition, items required in §§ 20:10:13:73 to 20:10:13:79, inclusive, shall be submitted as part of statement G. If 50 percent or more of the common stock of the public utility is not held by the public but is owned by another corporation, the information required by §§ 20:10:13:73 to 20:10:13:75, inclusive, shall also be submitted to the extent applicable for the debt, preferred stock, and common stock of the parent company.

**Source:** 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

**General Authority:** SDCL [49-34A-4](#).

**Law Implemented:** SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

**20:10:13:76. Schedule G-1 -- Stock dividends, stock splits or changes in par or stated value.** Schedule G-1 shall show any stock dividends, stock splits or changes in par or stated value during the five-year period preceding the date of the most recently available balance sheet and by months for the 12-month test period plus subsequent months as available.

**20:10:13:77. Schedule G-2 -- Common stock information.** Schedule G-2 shall show the following information on outstanding common stock for the 5 calendar years preceding the end of the test period and by months for the 12-month test period: (1) Average number of shares outstanding; (2) Earnings per average share for only the 5 years preceding the test year; (3) Annual earnings per share for only the latest reported 12-month average; (4) Annual dividend rate per share; (5) Dividends listed as percent of earnings; (6) Average market price based on the monthly high and low; (7) Earnings price

**Northern States Power Company**  
**South Dakota**  
**Revenue Requirement Model Description**

ratio, the relationship of annual earnings per share to average of the 12 monthly high and low market values of stock. In the case of monthly data, use the latest reported earnings in computing ratio of earnings to average high and low market value for the month; (8) Dividend price ratio, the relationship of dividend per share to average high and low market value of stock.

**20:10:13:78. Schedule G-3 -- Reacquisition of bonds or preferred stock.** If any bonds or preferred stock have been reacquired by the utility during the 18 months prior to filing, show full details in schedule G-3, including: (1) Title or series; (2) Principal amounts or par value reacquired; (3) Reacquisition cost; (4) Gain or loss on reacquisition; (5) Income taxes, if any, allocable to the gain or loss, and basis of allocation.

**20:10:13:79. Schedule G-4 -- Earnings per share for claimed rate of return.** Schedule G-4 shall show the earnings per share of common stock which the claimed rate of return would yield and the basis upon which it is determined.

## South Dakota Rate Case - 2013 Actuals

<u>Item Description</u>	<u>Page (s)</u>
<b><u>Statement G Reports</u></b>	
1) LTD and Equity Capital Structure - 13 Month Avg.	Cost of Capital 7.84% 1
2) LTD and Equity Capital Structure - Year End	Cost of Capital 7.68% 2
3) LTD Cost - Used In Year End Capital Structure	Cost of LTD 4.73% 3
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<b><u>Schedule G Reports</u></b>	
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G-4 Earnings Per Share	ROE 10.25% & EPS \$1.98 12
<b><u>Statement G Working Papers</u></b>	
1) LTD and Equity Capital Structure - 13 Month Avg.	Cost of Capital 7.84% 13
2) LTD Cost - Used In 13 Month Capital Structure	Cost of LTD 5.04% 14
3) Equity Balances 13 Month Average Balance with UP&L Adjustment	15
4) 13 Month Principal Balances Plus 12 Month Interest and Debt Expenses	16 - 17
<b><u>Assumptions:</u></b>	
1) South Dakota is a Historical Test Year using 2013 NSPM Actuals.	
2) There is no short term debt used in a SD Rate Case unlike NSPM which does include STD.	
3) Long term debt principal amounts are a 13 month average balance unlike NSPM which is a 12 month average balance.	
4) Equity balances use the same 13 month average balances and unregulated UP&L equity adjustment that NSPM uses.	

Northern States Power Company Minnesota - South Dakota  
Cost of Capital  
13 Month Average for 2013 : Proposed Cost of Capital  
(\$000's)

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	(A)	(B)	(C)	(D)	(E)
Line			Percentage		Weighted
No	Description	Amount	Of Total	Cost	Cost
1	Long Term Debt a)	3,646,911	46.14%	5.04%	2.32%
2	Common Equity b)	4,257,356	53.86%	10.25%	5.52%
		<u>7,904,267</u>	<u>100.00%</u>		<u>7.84%</u>

Footnotes:

- a) Cost of Long Term Debt - Becker Bonds redeemed 9/28/2012 adjustment no longer needed.
- b) Adjusted to remove non-regulated subsidiary UP&L.

Northern States Power Company Minnesota - South Dakota  
Cost of Capital  
For the Year Ended December 31, 2013  
(\$000's)

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Line No	(A) Description	(B) Amount	(C) Percentage Of Total	(D) Cost	(E) Weighted Cost
1	Long Term Debt (1)	3,900,060	46.54%	4.73%	2.20%
2	Common Equity (2)	4,480,794	53.46%	10.25%	5.48%
		<u>8,380,854</u>	<u>100.00%</u>		<u>7.68%</u>

3 (1) Statement G, Page 3, Annualized Cost

4	<u>(2) Common Equity</u>	
5	Common Stock Issued	10
6	Additional Paid In Capital	2,866,603
7	Retained Earnings	1,635,910
8	Accumulated Other Comprehensive Income	<u>(21,729)</u>
9	Total Common Stockholders Equity*	<u>4,480,794</u>

\*Includes Un-Regulated Subsidiaries 1,198

Source: NSPM 12/31/2013 10K

Northern States Power Company Minnesota - South Dakota  
Cost of Long-Term Debt  
For the Year Ended December 31, 2013

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	(A)	(B)	(C)	(E)	(D)	(F)	(G)	(H)	(I)	(J)	(K)
Line No	Title	Issue	Maturity	Interest Rate	Amount Issued	Net Proceeds	Per Unit	Yield To Maturity	Cost of Money	Principal Outstanding	Annual Cost
<b>Long Term Debt</b>											
<b><u>First Mortgage Bonds</u></b>											
1	Series due July 21, 2025	7/7/1995	7/1/2025	7.125%	250,000,000	245,771,667	98.31	7.26409%	7.25%	250,000,000	18,118,952
2	Series due March 1, 2028	3/11/1998	3/1/2028	6.500%	150,000,000	146,764,115	97.84	6.66703%	6.64%	150,000,000	9,964,970
3	Series due July 15, 2035	7/21/2005	7/15/2035	5.250%	250,000,000	246,482,886	98.59	5.34458%	5.32%	250,000,000	13,312,283
4	Series due June 1, 2036	5/25/2006	6/1/2036	6.250%	400,000,000	409,921,275	102.48	6.06935%	6.10%	400,000,000	24,394,928
5	Series due July 1, 2037	6/26/2007	7/1/2037	6.200%	350,000,000	345,569,157	98.73	6.29428%	6.28%	350,000,000	21,978,235
6	Series due March 1, 2018	3/18/2008	3/1/2018	5.250%	500,000,000	488,497,492	97.70	5.55359%	5.37%	500,000,000	26,868,101
7	Series due November 1, 2039	11/17/2009	11/1/2039	5.350%	300,000,000	292,067,479	97.36	5.53150%	5.50%	300,000,000	16,485,916
8	Series Due August 15, 2015	8/11/2010	8/15/2015	1.950%	250,000,000	247,170,854	98.87	2.18965%	1.97%	250,000,000	4,930,800
9	Series Due August 15, 2040	8/11/2010	8/15/2040	4.850%	250,000,000	246,273,354	98.51	4.94580%	4.92%	250,000,000	12,308,477
10	Series Due August 15, 2022	8/13/2012	8/15/2022	2.150%	300,000,000	296,455,314	98.82	2.28275%	2.18%	300,000,000	6,527,122
11	Series Due August 15, 2042	8/13/2012	8/15/2042	3.400%	500,000,000	444,955,507	88.99	4.03611%	3.82%	500,000,000	19,103,034
12	Series Due May 15, 2043	5/20/2013	5/15/2023	2.600%	400,000,000	394,743,374	98.69	2.75137%	2.63%	400,000,000	10,538,492
<b><u>Other Debt</u></b>											
13	Right of Way Notes	Various	Various	Various	60,245	60,245	100.00	Various	Various	60,245	0
14	Total Outstanding									<u>3,900,060,245</u>	<u>184,531,310</u>
15	Weighted Average Cost of Debt										4.73%

**Footnotes:**

Column "I" - Cost of Money is defined as Annualized Interest Expense divided by Net Proceeds.

Column "K" - Annual Cost is defined as Cost of Money multiplied by the Principal Outstanding.

Northern States Power Company  
INDENTURE PROVISIONS RELATED  
TO MINIMUM INTEREST COVERAGE

Excerpt from Trust Indenture  
from Northern States Power Company to  
Harris Trust and Savings Bank  
Dated May 1, 1988

Article I, Section 1.03

The term "gross revenues" means and includes all operating revenues, other revenues and other income of the Company determined in accordance with generally accepted accounting principles.

The term "earnings applicable to bond interest" for any applicable period means an amount computed as follows: From Gross Revenues of the Company, plus losses sustained from the disposition, write down or write off of capital assets, subtract (1) all profit realized from the sale of capital assets; (2) deductions (other than taxes measured by income and interest charges) for all operating expenses and other income deductions (including, to the extent not otherwise deducted, all losses sustained from the disposition, write down or write off of capital assets); and (3) any amount by which the actual expenditures or charges of the Company for ordinary repairs and maintenance and charges for reserves, renewals, replacements, retirements, depreciation and depletion are less than 2.50% of Completed Depreciable Property, as of the end of such period.

The term "net earnings certificate" means an Accountant's Certificate stating the amount of Earnings Applicable to Bond Interest for a specified period, computed as provided herein, and describing, in reasonable detail, how the same has been calculated and, to that end, specifying the amounts deducted from Gross Revenues on account of the items required to be deducted pursuant to the definition of Earnings Applicable to Bond Interest. When applicable the following rules shall be applied:

(1) for purposes of calculating: (i) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness bearing interest at adjustable, floating or variable rates and (ii) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness on which interest charges attributable to such Bonds, Prior Lien Obligations or Permitted Indebtedness will not become payable until a date more than one year after the date of such calculation, the interest rate used shall be the higher of (x) the interest rate applicable to such Bonds, Prior Lien Obligations or Permitted Indebtedness on the date of such calculation, or (y) the average interest rate payable on all

Bonds Outstanding, Prior Lien Obligations and Permitted Indebtedness during the 12-month period immediately preceding the date of such calculation.

(2) if any property is owned by the Company at the time of: (i) the authentication and delivery of any Bonds applied for or (ii) the withdrawal of any cash, either or both of which require a Net Earnings Certificate, then, although not owned during the whole, or any part, of the period for which the computation of Earnings Applicable to Bond Interest is made, the net earnings or income of such property during the whole of such period (computed in the same manner as Earnings Applicable to Bond Interest is computed), may at the option of the Company be included in Earnings Applicable to Bond Interest for all purposes of the Indenture; provided that if any such property has been acquired in exchange or substitution for property released from the Lien Hereof or through the use of cash deposited with the Trustee under any of the provisions hereof (other than cash deposited in accordance with the provisions of Article VII as a basis for the issuance of Bonds) then the earnings from the property released or which is represented by such cash shall be excluded from Earnings Applicable to Bond Interest.

Article V, Section 5.04

No Bonds shall be authenticated and delivered under this Article V unless, as shown by a Net Earnings Certificate, the Earnings Applicable to Bond Interest for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the date of any Application for authentication and delivery of Bonds shall have been, in the aggregate, at least twice the interest requirements for a period of one year upon (a) the Bonds applied for, (b) all Bonds Outstanding on the date of such Application and (c) all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation.



Xcel Energy Inc.  
Interest Only - Cost of Long-Term Debt  
For the Year Ended December 31, 2013

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	(A)	(B)	(C)	(E)	(F)	(K)
Line No	Title	Issue	Maturity	Interest Rate	Principal Outstanding	Annual Interest Cost
<b><u>Unsecured Senior Notes:</u></b>						
1	Series due April 1, 2017	3/30/2007	4/1/2017	5.613%	253,979,000	14,255,841
2	Series due July 1, 2036	6/9/2006	7/1/2036	6.500%	300,000,000	19,500,000
3	Series due May 15, 2020	5/13/2010	5/15/2020	4.700%	550,000,000	25,850,000
4	Series due September 15, 2041	9/12/2011	9/15/2041	4.800%	250,000,000	12,000,000
5	Series due May 9, 2016	5/9/2013	5/9/2016	0.750%	450,000,000	3,375,000
6	Total Outstanding				<u>1,803,979,000</u>	<u>74,980,841</u>
7	Weighted Average Cost of Debt *					4.16%

Footnote:

- \* Based on principal outstanding and interest rate.  
Excludes Other Financing Expenses.

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Cumulative Preferred Shares: NONE  
Preferred stock was held by the parent company Xcel Energy Inc. and redeemed in October 2011.

1) Cost of Money = Dividend Rate / Net Proceeds per \$100

\* Northern States Power-Minnesota does not hold preferred stock.

Xcel Energy Inc.\*  
Sale of Common Stock  
For the Period of January 1, 2009 through December 31, 2013

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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(O)
Line		Number of	Gross Proceeds	Underwriters'	Proceeds to	Issuance		Offering Price	Net Proceeds	Book Value	Closing Market Price	Earnings/Shares at	Dividend Rate at	Public or
No	Title	Shares Issued	at Offering Price	Discount	Company	Expense <sup>(1)</sup>	Net Proceeds	Per Share	Per Share <sup>(2)</sup>	Per Share <sup>(3)</sup>	at Trading Date Prior	Date of Issuance	Day of Issuance	Subscribed Issue
1	August 3, 2010 Public Offering	21,850,000	\$469,775,000	\$20,004,640	\$449,770,360	\$293,287	\$449,477,073	\$21.50	\$20.57	\$16.08	\$22.34	1.48	0.97	Public
2	March 2013 At-the-Market Public Offering	7,757,449	\$225,407,642	\$2,254,076	\$223,153,566	\$403,481	\$222,750,085	\$29.06	\$28.71	\$18.19	\$29.06	1.86	1.07	Public
Dividend Reinvestment Plan														
6	2009 Total	1,523,985					\$28,646,747							
7	2010 Total	1,309,021					\$28,945,721							
8	2011 Total	1,198,656					\$29,194,850							
9	2012 Total	1,072,668					\$29,550,273							
10	2013 Total	1,015,396					\$29,516,668							

Notes:

- (1) The Issuance Expense is what has been recorded to date and additional costs may not yet be recorded.  
(2) Net Proceeds per Share are calculated as Combined Net Proceeds / Combined Number of shares issued  
(3) Book Value per Share = Total Common Equity / Actual Shares Outstanding at June 2010 for the August 2010 offering and December 31, 2012 for the March 2013 offering.

\* Northern States Power Company-Minnesota does not issue public common stock.  
Public common stock is issued by the parent company Xcel Energy Inc.

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