

Northern States Power Company, a Minnesota Corporation  
Derivation of Investment Risk Adjustment Based upon  
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.		[1]		[2]	[3]	[4]
		Market Capitalization on April 29, 2022		Applicable Decile of the NYSE/AMEX/NASDAQ (2)	Applicable Size Premium (3)	Spread from Applicable Size Premium (4)
		( millions )	(times larger)			
1.	<u>Northern States Power Company, a Minnesota Corporation</u>	\$ 1,004.182		8	1.21%	
2.	<u>Proxy Group of Twelve Electric Companies</u>	\$ 24,965.602	24.9 x	2	0.43%	0.78%
			[A]	[B]	[C]	[D]
			Decile	Market Capitalization of Smallest Company ( millions )	Market Capitalization of Largest Company ( millions )	Size Premium (Return in Excess of CAPM)*
		Largest	1	\$ 36,160.584	\$ 2,324,390.219	-0.22%
			2	16,759.390	36,099.221	0.43%
			3	8,216.356	16,738.364	0.55%
			4	5,019.883	8,212.638	0.54%
			5	3,281.009	5,003.747	0.89%
			6	2,170.315	3,276.553	1.18%
			7	1,306.402	2,164.524	1.34%
			8	629.118	1,306.038	1.21%
			9	290.002	627.803	2.10%
		Smallest	10	10.588	289.007	4.80%

\*From 2022 Duff & Phelps Cost of Capital Navigator

Notes:

- (1) From page 2 of this Schedule.
- (2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
- (3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
- (4) Line No. 1 Column [3] - Line No. 2 Column [3]. For example, the 0.78% in Column [4], Line No. 2 is derived as follows 0.78% = 1.21% - 0.43%.

Northern States Power Company, a Minnesota Corporation  
Market Capitalization of Northern States Power Company, a Minnesota Corporation and the  
Proxy Group of Twelve Electric Companies

Company	Exchange	[1] Common Stock Shares Outstanding at Fiscal Year End 2021 ( millions )	[2] Book Value per Share at Fiscal Year End 2021 (1)	[3] Total Common Equity at Fiscal Year End 2021 ( millions )	[4] Closing Stock Market Price on April 29, 2022	[5] Market-to- Book Ratio on April 29, 2022 (2)	[6] Market Capitalization on April 29, 2022 (3) ( millions )
Northern States Power Company, a Minnesota Corporation		NA	NA	502.09 (4)	NA		
Based upon Proxy Group of Twelve Electric Companies						200.0 (5)	\$ 1,004.182 (6)
<u>Proxy Group of Twelve Electric Companies</u>							
Alliant Energy Corporation	NASDAQ	250.475	\$ 23.915	\$ 5,990.000	\$ 58.810	245.9 %	\$ 14,730.407
Ameren Corporation	NYSE	257.700	37.641	9,700.000	92.900	246.8	23,940.330
American Electric Power Company, Inc.	NASDAQ	504.212	44.492	22,433.200	99.110	222.8	49,972.453
Duke Energy Corporation	NYSE	769.000	61.553	47,334.000	110.160	179.0	84,713.040
Edison International	NYSE	380.378	36.572	13,911.000	68.790	188.1	26,166.213
Entergy Corporation	NYSE	202.653	57.425	11,637.284	118.850	207.0	24,085.331
Evergy, Inc.	NYSE	229.300	40.316	9,244.400	67.850	168.3	15,557.998
IDACORP, Inc.	NYSE	50.516	52.823	2,668.436	105.180	199.1	5,313.323
NorthWestern Corporation	NASDAQ	57.606	40.616	2,339.713	56.690	139.6	3,265.698
OGE Energy Corporation	NYSE	200.500	20.231	4,056.300	38.680	191.2	7,755.340
Portland General Electric Company	NYSE	89.411	30.276	2,707.000	47.330	156.3	4,231.804
Xcel Energy Inc.	NASDAQ	544.025	28.697	15,612.000	73.260	255.3	39,855.291
Average		294.648	\$ 39.546	\$ 12,302.778	\$ 78.134	200.0 %	\$ 24,965.602

NA= Not Available

Notes: (1) Column 3 / Column 1.

(2) Column 4 / Column 2.

(3) Column 1 \* Column 4.

(4) Requested rate base multiplied by equity ratio.

(5) The market-to-book ratio of Northern States Power Company, a Minnesota Corporation on April 29, 2022 is assumed to be equal to the market-to-book ratio of Proxy Group of Twelve Electric Companies on April 29, 2022 as appropriate.

(6) Column [3] multiplied by Column [5].

Source of Information: 2021 Annual Forms 10K  
yahoo.finance.com  
Bloomberg Professional