

Northern States Power
 Annual Revenue Requirement - 2021 Test Year
 Monticello LCM/EPU Project Return

<u>2021 Capital Structure</u>	<u>Rates</u>	<u>Ratios</u>	<u>Weighted Costs</u>
Long Term Debt	4.15%	46.99%	1.95%
Short Term Debt	0.00%	0.00%	0.00%
Preferred Stock	0.00%	0.00%	0.00%
Common Equity	10.75%	53.01%	<u>5.70%</u>
Required Rate of Return			7.65%
Tax Rate (MN)	28.7420%		
IRS Pro-Rate Method Avg Bal Factor	3.6758%		
South Dakota Demand Allocation	6.7506%		

<u>Cost</u>	
Full Return Portion	415,000
Zero Return Portion	333,603
	748,603
	44.5634% = Pro Rate Factor

2021 Revenue Requirements	Full Project RR		Zero Return Adjustment	
	Company Total	SD Jur	Company Total	SD Jur
(000's)				
Plant Investment	721,095	48,678	321,345	21,693
RWIP	27,508	1,857	12,259	828
Total Project Spend	748,603	50,535	333,603	22,520
Depreciation Reserve	367,848	24,832	163,926	11,066
CWIP	-	-	-	-
Accumulated Deferred Taxes	100,144	6,760	44,627	3,013
Total Rate Base	280,612	18,943	125,050	8,442
Average Rate Base	280,612	18,943	125,050	8,442
Tax Prefereced Items:		-	-	-
Tax Depreciation & Removal Expense	19,104	1,290	-	-
Avoided Tax Interest	-	-	-	-
Debt Return	5,472	369	2,438	165
Equity Return	15,995	1,080	7,128	481
Current Income Tax Requirement	12,224	825	2,875	194
Book Depreciation	41,163	2,779	-	-
Annual Deferred Tax	(7,747)	(523)	-	-
AFUDC Expenditure	-	-	-	-
Property Taxes	-	-	-	-
Total Revenue Requirements	67,107	4,530	12,441	840

Wisconsin Company Demand 16.3214%

IA Revenue Offset 137

Total Revenue Requirements (Net of IA) 703

* See separate CD containing live Excel Spreadsheets for supporting information to this Schedule

Northern States Power
 Annual Revenue Requirement
 Monticello LCM/EPU Project

Capital Structure	2014	2015	2016	2017	2018	2019	2020	2021
Long Term Debt Rate	4.8900%	4.8500%	4.7400%	4.7000%	4.5600%	4.4896%	4.3293%	4.1517%
Short Term Debt Rate	0.6500%	0.9300%	1.2200%	1.7100%	2.9700%	2.7800%	5.3500%	0.0000%
Preferred Stock Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Rate	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	10.7500%
Long Term Debt Ratio	45.4700%	46.1500%	46.5400%	46.4700%	46.4900%	46.0800%	47.2200%	46.9900%
Short Term Debt Ratio	1.6600%	1.0900%	0.8500%	0.9900%	0.6800%	0.9400%	0.1600%	0.0000%
Preferred Stock Ratio	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Ratio	52.8700%	52.7600%	52.6100%	52.5400%	52.8300%	52.9800%	52.6200%	53.0100%
Long Term Debt Weighted Cost	2.2200%	2.2400%	2.2100%	2.1800%	2.1200%	2.0700%	2.0400%	1.9500%
Short Term Debt Weighted Cost	0.0100%	0.0100%	0.0100%	0.0200%	0.0200%	0.0300%	0.0100%	0.0000%
Preferred Stock Weighted Cost	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Weighted Cost	4.8900%	4.8800%	4.8700%	4.8600%	4.8900%	4.9000%	4.8700%	5.7000%
Required Rate of Return	7.1200%	7.1300%	7.0900%	7.0600%	7.0300%	7.0000%	6.9200%	7.6500%
Tax Rate (MN)	41.3700%	41.3700%	41.3700%	41.3700%	28.7420%	28.7420%	28.7420%	28.7420%

Demand Allocation		2014	2015	2016	2017	2018	2019	2020	2021
IA MN		84.7923%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%
(As of 2015 Included in IA Billing) IA WS		15.2077%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
JUR MN		87.5284%	87.2593%	87.7424%	87.4350%	87.6880%	87.0633%	87.3247%	86.9632%
JUR ND		6.3128%	6.3912%	6.1708%	5.9542%	5.7880%	6.2584%	6.1075%	6.2862%
JUR SD		6.1588%	6.3495%	6.0868%	6.6108%	6.5240%	6.6783%	6.5678%	6.7506%
Minnesota		74.2173%	87.2593%	87.7424%	87.4350%	87.6880%	87.0633%	87.3247%	86.9632%
Wisconsin		15.2077%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
North Dakota		5.3528%	6.3912%	6.1708%	5.9542%	5.7880%	6.2584%	6.1075%	6.2862%
South Dakota		5.2222%	6.3495%	6.0868%	6.6108%	6.5240%	6.6783%	6.5678%	6.7506%
Total		100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Discount Rate 7.1200%
 Pro-Rate Method Avg Bal Factor 3.6758%

Full Return = - - 100.0000%

(000's)

Total Company	2014	2015	2016	2017	2018	2019	2020	2021
Plant Investment	-	720,451	721,095	721,095	721,095	721,095	721,095	721,095
RWIP	-	27,508	27,508	27,508	27,508	27,508	27,508	27,508
Total Write Off	-	747,960	748,603	748,603	748,603	748,603	748,603	748,603
Depreciation Reserve	-	120,876	162,034	203,197	244,360	285,522	326,685	367,848
CWIP	-	(26)	-	-	-	-	-	-
Accumulated Deferred Taxes	-	135,559	132,605	128,182	122,491	115,648	107,896	100,144
Total Rate Base	-	491,498	453,964	417,224	381,753	347,433	314,023	280,612
Average Rate Base	-	491,498	453,964	417,224	381,753	347,433	314,023	280,612
Tax Preferred Items:								
Tax Depreciation & Removal Expense	-	31,918	29,729	24,741	23,524	19,103	19,080	19,104
Avoided Tax Interest	-	-	-	-	-	-	-	-
Debt Return	-	11,059	10,078	9,179	8,170	7,296	6,437	5,472
Equity Return	-	23,985	22,108	20,277	18,668	17,024	15,293	15,995
Current Income Tax Requirement	-	21,673	21,266	22,055	12,248	12,640	11,947	12,224
Book Depreciation	-	41,153	41,163	41,163	41,163	41,163	41,163	41,163
Annual Deferred Tax	-	(2,505)	(3,403)	(5,443)	(5,940)	(7,747)	(7,757)	(7,747)
AFUDC Expenditure	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-
Total Revenue Requirements	-	95,365	91,211	87,231	74,308	70,375	67,083	67,107

South Dakota	2014	2015	2016	2017	2018	2019	2020	2021
Plant Investment	-	45,745	43,892	47,670	47,044	48,157	47,360	48,678
RWIP	-	1,747	1,674	1,819	1,795	1,837	1,807	1,857
Total Write Off	-	47,492	45,566	49,489	48,839	49,994	49,167	50,535
Depreciation Reserve	-	7,675	9,863	13,433	15,942	19,068	21,456	24,832
CWIP	-	(2)	-	-	-	-	-	-
Accumulated Deferred Taxes	-	8,607	8,071	8,474	7,991	7,723	7,086	6,760
Total Rate Base	-	31,208	27,632	27,582	24,906	23,203	20,624	18,943
Average Rate Base	-	31,208	27,632	27,582	24,906	23,203	20,624	18,943
Tax Preferred Items:								
Tax Depreciation & Removal Expense	-	2,027	1,810	1,636	1,535	1,276	1,253	1,290
Avoided Tax Interest	-	-	-	-	-	-	-	-
Debt Return	-	702	613	607	533	487	423	369
Equity Return	-	1,523	1,346	1,340	1,218	1,137	1,004	1,080
Current Income Tax Requirement	-	1,376	1,294	1,458	799	844	785	825
Book Depreciation	-	2,613	2,505	2,721	2,685	2,749	2,703	2,779
Annual Deferred Tax	-	(159)	(207)	(360)	(388)	(517)	(509)	(523)
AFUDC Expenditure	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-
Total Revenue Requirements	-	6,055	5,552	5,767	4,848	4,700	4,406	4,530

Northern States Power
 Annual Revenue Requirement
 Monticello LCM/EPU Project
 No Return on rate base related to spend in excess of \$415M

Capital Structure	2014	2015	2016	2017	2018	2019	2020	2021
Long Term Debt Rate	4.8900%	4.8500%	4.7400%	4.7000%	4.5600%	4.4896%	4.3293%	4.1517%
Short Term Debt Rate	0.6500%	0.9300%	1.2200%	1.7100%	2.9700%	2.7800%	5.3500%	0.0000%
Preferred Stock Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Rate	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	9.2500%	10.7500%
Long Term Debt Ratio	45.4700%	46.1500%	46.5400%	46.4700%	46.4900%	46.0800%	47.2200%	46.9900%
Short Term Debt Ratio	1.6600%	1.0900%	0.8500%	0.9900%	0.6800%	0.9400%	0.1600%	0.0000%
Preferred Stock Ratio	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Ratio	52.8700%	52.7600%	52.6100%	52.5400%	52.8300%	52.9800%	52.6200%	53.0100%
Long Term Debt Weighted Cost	2.2200%	2.2400%	2.2100%	2.1800%	2.1200%	2.0700%	2.0400%	1.9500%
Short Term Debt Weighted Cost	0.0100%	0.0100%	0.0100%	0.0200%	0.0200%	0.0300%	0.0100%	0.0000%
Preferred Stock Weighted Cost	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Weighted Cost	4.8900%	4.8800%	4.8700%	4.8600%	4.8900%	4.9000%	4.8700%	5.7000%
Required Rate of Return	7.1200%	7.1300%	7.0900%	7.0600%	7.0300%	7.0000%	6.9200%	7.6500%
Tax Rate (MN)	41.3700%	41.3700%	41.3700%	41.3700%	28.7420%	28.7420%	28.7420%	28.7420%

Demand Allocation	2014	2015	2016	2017	2018	2019	2020	2021
IA MN	84.7923%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%
(As of 2015 Included in IA Billing) IA WS	15.2077%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
JUR MN	87.5284%	87.2593%	87.7424%	87.4350%	87.6880%	87.0633%	87.3247%	86.9632%
JUR ND	6.3128%	6.3912%	6.1708%	5.9542%	5.7880%	6.2584%	6.1075%	6.2862%
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Minnesota	74.2173%	87.2593%	87.7424%	87.4350%	87.6880%	87.0633%	87.3247%	86.9632%
Wisconsin	15.2077%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
North Dakota	5.3528%	6.3912%	6.1708%	5.9542%	5.7880%	6.2584%	6.1075%	6.2862%
South Dakota	5.2222%	6.3495%	6.0868%	6.6108%	6.5240%	6.6783%	6.5678%	6.7506%
Total	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Discount Rate 7.1200%

Allowed Return Amount	415,000
% Disallowed =	333,603 748,603 44.5634%

(000's)

Total Company	2014	2015	2016	2017	2018	2019	2020	2021
Plant Investment	322,317	321,260	321,345	321,345	321,345	321,345	321,345	321,345
RWIP	-	-	-	-	-	-	-	-
Total Write Off	322,317	321,260	321,345	321,345	321,345	321,345	321,345	321,345
Depreciation Reserve	24,436	41,606	59,949	78,293	96,636	114,980	133,323	151,667
CWIP	505	(2)	-	-	-	-	-	-
Accumulated Deferred Taxes	61,241	60,410	59,093	57,122	54,586	51,536	48,082	44,627
Total Rate Base	237,146	219,243	202,302	185,929	170,122	154,828	139,939	125,050
Average Rate Base	237,146	219,243	202,302	185,929	170,122	154,828	139,939	125,050
Tax Preferreded Items:								
Tax Depreciation & Removal Expense	-	-	-	-	-	-	-	-
Avoided Tax Interest	-	-	-	-	-	-	-	-
Debt Return	5,288	4,933	4,491	4,090	3,641	3,251	2,869	2,438
Equity Return	11,596	10,699	9,852	9,036	8,319	7,587	6,815	7,128
Current Income Tax Requirement	8,183	7,549	6,952	6,376	3,355	3,060	2,749	2,875
Book Depreciation	-	-	-	-	-	-	-	-
Annual Deferred Tax	-	-	-	-	-	-	-	-
AFUDC Expenditure	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-
Total Revenue Requirements	25,067	23,181	21,295	19,503	15,315	13,898	12,433	12,441

South Dakota	2014	2015	2016	2017	2018	2019	2020	2021
Plant Investment	16,832	20,398	19,560	21,243	20,965	21,460	21,105	21,693
RWIP	-	-	-	-	-	-	-	-
Total Write Off	16,832	20,398	19,560	21,243	20,965	21,460	21,105	21,693
Depreciation Reserve	1,276	2,642	3,649	5,176	6,305	7,679	8,756	10,238
CWIP	26	(0)	-	-	-	-	-	-
Accumulated Deferred Taxes	3,198	3,836	3,597	3,776	3,561	3,442	3,158	3,013
Total Rate Base	12,384	13,921	12,314	12,291	11,099	10,340	9,191	8,442
Average Rate Base	12,384	13,921	12,314	12,291	11,099	10,340	9,191	8,442
Tax Preferreded Items:								
Tax Depreciation & Removal Expense	-	-	-	-	-	-	-	-
Avoided Tax Interest	-	-	-	-	-	-	-	-
Debt Return	276	313	273	270	238	217	188	165
Equity Return	606	679	600	597	543	507	448	481
Current Income Tax Requirement	427	479	423	422	219	204	181	194
Book Depreciation	-	-	-	-	-	-	-	-
Annual Deferred Tax	-	-	-	-	-	-	-	-
AFUDC Expenditure	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-
Total Revenue Requirements	1,309	1,472	1,296	1,289	999	928	817	840