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**2004**

**Regulatory Report  
Of Electric Utility Operations**

**for**

**Northern States Power Company  
d/b/a Xcel Energy**

**North Dakota Jurisdiction**

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**Utilizing  
The PLUS Plan  
Performance-Based Regulation Model**

**Submitted to the  
North Dakota Public Service Commission  
May 2, 2005**

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2004 Electric Operations Annual Report**

Northern States Power Company

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## Executive Summary

### Financial Results

	<b>2004</b>
1 Return on Equity (ROE) (page 3, line 13):	10.90%
2 Return on Rate Base (ROR) (page 3, line 11):	9.12%
3 Rate Base (000's) (page 5, line 15):	\$165,870
4 Common Equity Ratio (page 6, line 5):	50.34%
5 ROE deadband (page 7, lines 6, 7):	11.00% ..... 13.75%
6 ROE deadband midpoint (page 7, line 8):	12.38%

### Utility Performance

	<u>Result</u>	<u>Perf. Pts.</u>
7 Annual Outage Duration per Customer (min.) (Appendix A):	92.0	0
8 Annual Outage Frequency per Customer (Appendix A):	0.90	0
9 Relationship Survey Score (Appendix B):	82.6%	25
10 Transaction Survey Score (Appendix B):	66.6%	0
11 Average Residential Rate -- ¢/kWh (Appendix C):	6.51	25
12 Annual Change in Residential Rate -- ¢/kWh (Appendix C):	0.27	0
13 Workforce Safety -- OSHA Incident Rate (Appendix D):	1.31	<u>25</u>
	<b>Total Points:</b>	<b>75</b>

### PLUS Plan Customer Revenue Sharing

14 Total Customer Refund (or Deferred Surcharge) (000's) (page 8, line 7):	(\$139)
15 Typical Residential Customer Refund (Deferred Surcharge):	(\$0.70)

### Proposed Rate Changes\*

	<u>Proposed %</u>	<u>Avg. Est. Mo.</u>
	<u>Rate Change</u>	<u>Bill Impact</u>
Effective after 7/1 2005		
Price Increase Cap: 1.62%		
16 Residential without space heat (page 9, lines 9 and 13):	3.75%	\$1.98
17 Small commercial & industrial (page 9, lines 10 and 14):	0.21%	\$0.81
18 Large commercial & industrial (page 9, lines 11 and 15):	0.25%	\$101.49
19 PSHL/Mun. Auth (page 9, lines 12 and 16):	0.00%	\$0.00
20 Total estimated annual revenue increase (page 9, line 19):	1.62%	\$1,906,421

### Other Miscellaneous

	<b>2004</b>
21 Electric retail sales -- MWh (page 10, line 6):	2,073,361
22 Peak demand -- Mw (page 10, line 7):	377,504
23 Customers (page 10, line 13):	85,838

\* Proposed impact shown deviates from Plan default rate design (equal % increases for all customer classes). Impact shown is an estimate. Company will file compliance tariffs that may reflect a different customer class apportionment.

## Return on Equity (ROE)

(000's)

	2004
<b>Before Revenue Sharing</b>	<b>Amount</b>
1 Operating Income from Electric Operations (page 4, line 20):	\$15,042
2 Average Regulated Rate Base (page 5, line 15):	\$165,870
3 Rate of Return on Rate Base (ROR) (line 1 / line 2):	9.07%
4 Less Weighted Cost of Debt (page 6, line 3):	3.63%
5 Less Weighted Cost of Preferred Stock (page 6, line 4):	0.00%
6 Weighted Return on Equity (line 3 - line 4 - line 5):	5.44%
7 % of Equity in Capital Structure (page 6, line 5):	50.34%
8 <b>Return on Equity (ROE) before Revenue Sharing (line 6 / line 7):</b>	<b>10.80%</b>

### After Revenue Sharing

9 Shared After-Tax Earnings (page 8, line 5) X 50%	(\$84)
10 Adjusted Operating Income (line 1 - line 9):	\$15,126
11 Adjusted Rate of Return on Rate Base (ROR) (line 10 / line 2):	9.12%
12 Adjusted Weighted Return on Equity (line 11 - line 4 - line 5):	5.49%
13 <b>Return on Equity (ROE) after Revenue Sharing (line 12 / line 7):</b>	<b>10.90%</b>

### Normalized

14 ROE before earnings sharing and reflecting normal weather:	11.65%
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## Operating Income

(000's)

Line	Item	2004 Total NSP	2004 ND Juris.	ND %	2003 ND Juris.	Annual Change
<b>Operating Revenues:</b>						
1	Residential	\$758,910	\$46,803	6.2%	\$46,572	0.5%
2	Small Comm. & Ind.	\$854,195	\$54,076	6.3%	\$52,029	3.9%
3	Large Comm. & Ind.	\$474,518	\$15,102	3.2%	\$13,475	12.1%
4	Str. Lighting/Municipal	\$26,862	\$1,934	7.2%	\$1,876	3.1%
5	Interchange/Other Oper	<u>\$575,402</u>	<u>\$34,193</u>	<u>5.9%</u>	<u>\$30,194</u>	<u>13.2%</u>
6	Total Revenues:	\$2,689,888	\$152,109	5.7%	\$144,146	5.5%
<b>Operating Expenses:</b>						
7	Production	\$1,398,266	\$82,262	5.9%	\$74,919	9.8%
8	Transmission	\$105,774	\$6,190	5.9%	\$5,862	5.6%
9	Distribution	\$92,031	\$4,310	4.7%	\$4,762	-9.5%
10	Customer Billing	\$54,572	\$3,877	7.1%	\$3,861	0.4%
11	Customer Service	\$52,282	\$270	0.5%	\$385	-29.9%
12	Sales & Marketing	\$1,245	\$73	5.9%	\$84	-13.1%
13	Admin. & General	\$149,538	\$9,510	6.4%	\$9,394	1.2%
14	Depreciation	\$304,740	\$17,091	5.6%	\$18,511	-7.7%
15	Property Taxes	\$97,955	\$5,173	5.3%	\$5,222	-0.9%
16	Other General Taxes	\$50,393	\$2,540	5.0%	\$2,584	-1.7%
17	Income Taxes	\$98,924	\$6,167	6.2%	\$6,512	-5.3%
18	Deferred Income Taxes	<u>\$10,645</u>	<u>(\$396)</u>	<u>-3.7%</u>	<u>(\$1,532)</u>	<u>-74.2%</u>
19	Total Expenses:	\$2,416,365	\$137,067	5.7%	\$130,563	5.0%
20	<b>Regulated Operating Income</b>	<b>\$273,523</b>	<b>\$15,042</b>	<b>5.5%</b>	<b>\$13,583</b>	<b>10.7%</b>

Notes:

Regulated operating income shown above does not reflect any shared earnings adjustments.

**Rate Base**

(000's)

<u>Line</u>	<u>Item</u>	<u>2004</u> <u>Total NSP</u>	<u>2004</u> <u>ND Juris.</u>	<u>ND %</u>	<u>2003</u> <u>ND Juris.</u>	<u>Annual</u> <u>Change</u>
1	Plant in Service	\$8,694,821	\$491,043	5.6%	\$477,087	2.9%
2	Accumulated Depreciation	<u>\$5,108,747</u>	<u>\$294,861</u>	5.8%	<u>\$290,255</u>	1.6%
3	Net Plant in Service	\$3,586,074	\$196,182	5.5%	\$186,832	5.0%
4	Plant Held for Future Use			*	\$0	*
5	Construct Work in Progress	\$24,797	\$1,239	5.0%	\$2,059	-39.8%
6	Materials and Supplies	\$95,280	\$5,771	6.1%	\$6,018	-4.1%
7	Fuel Inventory	\$31,444	\$1,908	6.1%	\$1,741	9.6%
8	Prepayments	\$18,820	\$1,146	6.1%	\$1,049	9.2%
9	Customer Deposits	(\$667)	(\$213)	31.9%	(\$228)	-6.6%
10	Unamortized Expenses			*	\$0	*
11	Cash Working Capital	\$0	\$0	*	\$0	*
12	Non-Plant Assets	<u>(\$92,317)</u>	<u>(\$5,657)</u>	6.1%	<u>(\$3,753)</u>	50.7%
13	Total Other Rate Base	\$77,357	\$4,194	5.4%	\$6,886	-39.1%
14	Less Accum. Deferred Taxes	(\$647,006)	(\$34,506)	5.3%	(\$35,560)	-3.0%
15	<b>Total Average Rate Base</b>	<b>\$3,016,425</b>	<b>\$165,870</b>	<b>5.5%</b>	<b>\$158,158</b>	<b>4.9%</b>

**Cost of Capital**

(000's)

2004

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>	
1	Long-Term Debt	\$1,868,063	49.40%	7.33%	3.62%	
2	Short-Term Debt	<u>\$9,925</u>	<u>0.26%</u>	4.44%	<u>0.01%</u>	
3	Total Debt	\$1,877,988	49.66%		3.63%	
4	Preferred Stock	\$0	0.00%	0.00%	0.00%	
5	Common Equity	<u>\$1,903,555</u>	<u>50.34%</u>	10.90%	5.49%	
6	Total Equity	\$1,903,555	50.34%			
7	Total Capital	\$3,781,543	100.00%		<table border="1"><tr><td>9.12%</td></tr></table>	9.12%
9.12%						

Note: For purposes of regulatory earnings reporting, credit line facility fees related to short term debt are recorded in A&G expense (page 4, line 13), not as a cost of short term debt

## Baseline Return on Equity

### Baseline Return on Equity

Line

1	Baseline ROE:	12.00%
2	Baseline ROE deadband upper limit (line 1 + 1.0%):	13.00%
3	Baseline ROE deadband lower limit (line 1 - 1.0%):	11.00%

### Performance-Adjusted Return on Equity Deadband

4	PLUS performance award points (Appendices A - D):	75
5	ROE deadband adjustment (.01% per award point in line 4):	0.75%

6	Upper limit on ROE Deadband:	13.75%
7	Lower limit on ROE Deadband	11.00%

8	ROE Deadband midpoint (used in price cap criteria - see Section 9, lines 8a, 8b)	12.38%
9	Rate increase trigger (earnings below the ROE midpoint less 1% may result in a rate increase)	11.38%
10	Rate decrease trigger (earnings above the ROE midpoint plus 1% may result in a rate decrease)	13.38%

Note: If deadband adjustment (line 5) is > 0, it is added to the baseline deadband upper limit (line 2).  
If the deadband adjustment is < 0, it is subtracted from the baseline deadband lower limit (line 3).

## Shared Earnings

(000's)

<u>Line</u>	<u>Item</u>		
1	Operating income from electric operations (page 4, line 20):		\$15,042
2	Debt expense and preferred equity dividends:		
	a. Regulated average rate base (page 5, line 15):	\$165,870	
	b. Weighted cost of debt (page 6, line 3):	3.63%	
	c. Weighted preferred equity cost (page 6, line 4):	0.00%	
	d. Debt & pref. equity costs (line 2a X {line 2b+line 2c}):		\$6,025
3	Actual common equity earnings (line 1 - line 2d):		\$9,017
4	Common equity earnings range allowed by ROE deadband:		
	a. Regulated average rate base (page 5, line 15):	\$165,870	
	b. Equity ratio (page 6, line 5):	50.34%	
	c. Equity portion of average rate base (line 4a X line 4b):	\$83,496	
	d. Upper limit ROE and earnings (line 4c X upper ROE limit):	13.75%	\$11,481
	e. Lower limit ROE and earnings (line 4c X lower ROE limit):	11.00%	\$9,185
5	Actual common equity earnings over (under) ROE deadband (line 3 - line 4d or 4e):		(\$168)
6	Pre-tax multiplier (1 / {1-tax rate}):	Tax rate: 39.61%	1.6559
7	Pretax amount to share (line 5 X line 6):		(\$278)
	a. Customer Refund [Deferred Surcharge] (50% of line 7):		(\$139)
	b. Retained by company (line 7 - line 7a):		(\$139)

### Cumulative Results

Cumulative PLUS Plan Customer Refunds issued (2001-2004):	\$0
Current Balance -- Deferred Surcharge <sup>1</sup> :	\$1,093

<sup>1</sup> Indicates pending surcharge amounts from 2003 and 2004 results, excluding any future offsets

# Price Cap Factor

**Line Item**

1 Utility comparison group change in res'l ¢/kwh (Appendix E): 3.02%

Inflation (CPI)	2003	2004	Change
2 March	184.2	187.4	1.74%
3 June	183.7	189.7	3.27%
4 September	185.2	189.9	2.54%
5 December	184.3	190.3	3.26%
6 Average:			2.70%

7 Inflation reduced by "efficiency commitment" adj. (60% X CPI): 1.62%

8 Maximum rate increase allowed 1.62%

Lower of line 1 and line 7, or 0.0% if:

a. line 1,7 >0, and {Xcel ROE > midpt ROE-1% or Xcel rates > group avg.}

b. line 1,7 <0, and {Xcel ROE < midpt ROE+1% or Xcel rates < group avg.}

**Proposed Rate Changes**

-Effective: 2005

**Rate Change**

9 Residential	3.75%
10 Small commercial & industrial	0.21%
11 Large commercial & industrial	0.25%
12 Str. Lgt/Municipal	0.00%

**Average Monthly Bill Impact**

	2004 Average Monthly Bill	Estimated Change to Monthly Bill
13 Residential	\$52.82	\$1.98
14 Small commercial & industrial	\$385.59	\$0.81
15 Large commercial & industrial	\$40,596.86	\$101.49
16 Str. Lgt/Municipal	\$586.17	\$0.00

17 Estimated total annual revenue increase: 1.62% \$1,906,421

## Selected Operating and Financial Statistics

Line	Electric Sales (ND) [mWh's]	2004	2003	Annual Change	% Change
1	Residential	719,108	745,836	-26,728	-3.58%
3	Small commercial & industrial	971,972	976,706	-4,734	-0.48%
4	Large commercial & industrial	357,654	323,157	34,497	10.67%
5	PSHL/SPA/Interdepartmental	<u>24,627</u>	<u>24,350</u>	<u>277</u>	<u>1.14%</u>
6	Total	2,073,361	2,070,049	3,312	0.16%
7	Coincident Peak Demand (ND)	377,504	370,566	6,938	1.87%
		(Jan)	(Feb)		
	<b><u>Electric Customers (ND)</u></b>				
8	Residential	73,845	73,521	324	0.44%
10	Small commercial & industrial	11,687	11,611	76	0.65%
11	Large commercial & industrial	31	25	6	24.00%
12	PSHL/SPA/Interdepartmental	<u>275</u>	<u>278</u>	<u>-3</u>	<u>-1.08%</u>
13	Total	85,838	85,435	403	0.47%
	<b><u>ND Customer Statistics</u></b>				
14	Average ¢/Kwh charge (all cust.)	5.69	5.51	0.18	3.31%
15	Ave. residential mo. usage -Kwh	812	845	-34	-4.01%
16	Ave. residential mo. bill	\$52.82	\$52.79	\$0.03	0.05%
	<b><u>Jurisdictional Cost Allocators</u></b>				
17	36CP Demand	6.0027%	5.9684%	0.0343%	0.57%
18	Energy Requirements	6.0688%	6.0624%	0.0064%	0.11%
19	Customers	6.4003%	6.4457%	-0.0454%	-0.70%
	<b><u>Xcel Energy Corporate Financial Data</u></b>				
20	Earnings per Share (cont. oper.)	\$1.27	\$1.23	\$0.04	3.25%
21	Earnings to Fixed Charges	2.2	2.2		
22	S&P Bond Rating	BBB-	BBB-		
23	Book Value per Common Share	\$12.99	\$12.95	\$0.04	0.31%
24	Market Price - High	\$18.33	\$17.40	\$0.93	5.34%
25	Market Price - Low	\$15.48	\$10.40	\$5.08	48.85%

## System Reliability Performance

### Outage Duration

Measure: For a typical customer experiencing an outage during the year, this is the average amount of time the customer was without power during the outage.

	PLUS	2004
<u>Measure</u>	<u>Standard</u>	<u>Result</u>
(Minutes)	89.0	92.0

	Standard	Award	Points
15% better than target:	75.6	25 points	0
Acceptable range:		0 points	
15% worse than target:	102.4	25 points	

### Outage Frequency

Measure: The average number of outages that a typical customer experienced during the year.

	PLUS	2004
<u>Measure</u>	<u>Standard</u>	<u>Result</u>
(Minutes)	0.90	0.90

	Standard	Award	Points
15% better than target:	0.77	25 points	0
Acceptable range:		0 points	
15% worse than target:	1.04	25 points	

Total Reliability Award Points: 0

Note: Results reflect storm-normalized data. Also, outages included in above measures are sustained (i.e., longer than 5 minutes) outages only.

## Customer Satisfaction Performance

### Relationship Surveys

Measure: Percent of survey respondents who rank Xcel Energy's products and services either "excellent" or "very good" (top 2 responses on a 5 point scale).

	PLUS	2004	Res: 77.7%
<u>Measure</u>	<u>Standard</u>	<u>Result</u>	SCI: 77.3%
% giving top two	78.0%	82.6%	LCI: 92.7%

	Standard	Award	Points
3 % better than target:	81.0%	25 points	25
Acceptable range:		0 points	
3 % worse than target:	75.0%	25 points	

### Transaction Surveys

Measure: Percent of survey respondents who rank Xcel Energy's products and services either "excellent" or "very good" (top 2 responses on a 5 point scale).

	PLUS	2004	Res: 71.8%
<u>Measure</u>	<u>Standard</u>	<u>Result</u>	SCI: 61.4%
% giving top two	65.0%	66.6%	

	Standard	Award	Points
3 % better than target:	68.0%	25 points	0
Acceptable range:		0 points	
3 % worse than target:	62.0%	25 points	

**Total Cust. Satisfaction Award Points: 25**

Note: Relationship survey score reflects average of three random surveys of residential, commercial, and large commercial customers in North Dakota. Transaction surveys are conducted with customers who contact the company's call center or request restoration of service following an outage.

## Electric Rate Performance

### Competitive Position

Measure: Residential revenues divided by kWh sales to arrive at an average unit price.  
 Target is based on the annual comparison group res'l average (see Appendix C).

	PLUS	2004
<u>Measure</u>	<u>Standard</u>	<u>Result</u>
(¢/Kwh)	8.13	6.51

	Standard	Award	Points
15% better than target:	6.91	25 points	25
Acceptable range:		0 points	
15% worse than target:	9.34	25 points	

### Rate Stability

Measure: Change in average revenue per kWh's from the prior year. Target based on change of lowest priced utility in the comparison group from previous year.

	PLUS	2004
<u>Measure</u>	<u>Standard</u>	<u>Result</u>
(¢/Kwh)	0.23	0.27

OtterTail Power Co. (ND)

	Standard	Award	Points
15% better than target:	0.18	25 points	0
Acceptable range:		0 points	
15% worse than target:	0.28	25 points	

Total Rates Award Points: 25

## Workforce Safety Performance

### OSHA Incident Rate

Measure: Number of safety related incidents per 100 employees.

	PLUS	2004
<u>Measure</u>	<u>Standard</u>	<u>Result</u>
OSHA	4.32	1.31

	Standard	Award	Points
15% better than target:	3.70	25 points	25
Acceptable range:		0 points	
15% worse than target:	5.00	25 points	

Total Safety Award Points: 25

Grand Total Performance Award Points: 75

## Utility Comparison Group

### Average Residential Revenue/Kwh

IOU's in North Dakota, South Dakota, Montana, Wyoming, Minnesota, Iowa, Wisconsin

2002 Rank	Utility	Jurisdiction	2004 ¢/kwh	2003 ¢/kwh	% Change
1	NSP d/b/a Xcel Energy	ND	6.51	6.24	4.3%
2	Ottertail Power Co.	ND	6.66	6.43	3.6%
3	Pacificorp -Wyoming East	Wyom	6.82	6.51	4.8%
4	Superior Power & Light	Wisc.	6.84	6.52	4.9%
5	Ottertail Power Co.	SD	6.90	6.63	4.1%
6	Ottertail Power Co.	MN	6.96	6.69	4.0%
7	Minnesota Power	MN	7.11	6.73	5.6%
8	Montana-Dakota Utilities	ND	7.19	6.83	5.3%
9	Pacificorp -Wyoming West	Wyom	7.29	7.38	-1.2%
10	Montana-Dakota Utilities	Mont	7.37	7.33	0.5%
11	MidAmerican Energy	SD	7.50	7.52	-0.3%
12	NSP d/b/a Xcel Energy	Wisc.	7.56	7.52	0.5%
13	Black Hills Power & Light	Wyom	7.74	7.68	0.8%
14	Montana-Dakota Utilities	Wyom	7.90	7.73	2.2%
15	NSP d/b/a Xcel Energy	MN	8.05	7.84	2.7%
16	NSP d/b/a Xcel Energy	SD	8.10	7.84	3.3%
17	Northwestern Energy	SD	8.16	7.92	3.0%
18	Black Hills Power & Light	SD	8.22	8.14	1.0%
19	Northwestern Energy	Montana	8.23	7.74	6.3%
20	NW Wisconsin Electric	Wisc.	8.61	8.57	0.5%
21	MidAmerican Energy	Iowa	8.67	8.65	0.2%
22	Montana-Dakota Utilities	SD	9.09	8.88	2.4%
23	Wisconsin Energy Co.	Wisc.	9.13	8.87	2.9%
24	Interstate Power Co.(Alliant)	MN	9.42	9.20	2.4%
25	Cheyenne Light, Fuel, & Power	Wyom	9.44	9.83	-4.0%
26	Wisconsin Public Service	Wisc.	9.58	8.66	10.6%
27	Wisconsin Power & Light (Alliant)	Wisc.	9.61	9.32	3.1%
28	Interstate Power & Light (Alliant)	Iowa	9.86	8.90	10.8%
29	Madison Gas & Elec	Wisc.	11.12	10.64	4.5%
Average residential rate (¢/kwh):			8.13	7.89	3.02%

Source: Typical Residential, Commercial, and Industrial Bills, Edison Electric Instit

Winter, 2003

## Appendix F

### AFFILIATED TRANSACTIONS

Line #	Affiliate Name	General Description of Services Rendered &/or Supplied	Portion Allocated to North Dakota Jurisdiction Electric and Gas (1)	
			Expense (2)	Revenue (3)
1	Northern States Power Company (Wis.)	Electric and Gas Utility	5,717,159	12,946,672
2	Public Service of Colorado	Electric and Gas Utility	6,800	53,775
3	Southwestern Public Service	Electric Utility	371	878
4	Cheyenne Light Fuel and Power	Electric and Gas Utility	(657)	118
5	United Power and Land	Real estate holdings	245,289	939
6	Reddy Kilowatt Corp	Owns trademark rights for Reddy Kilowatt and Reddy Flame	-	-
7	Eloigne Company	Affordable housing investment program	-	2,821
8	Seren Innovations, Inc.	Energy mgmt., security control & bus info through communications networks	-	-
9	Xcel Energy Services	Xcel Energy Inc. service company	12,326,168	-
10	Nuclear Mgmt Company	Regional nuclear facilities management	20,162,111	-
11	Utility Engineering	Engineering services	592,216	3,054

**Notes:**

- (1) The amounts allocated to North Dakota electric and gas jurisdictions represent an estimate based on an overall allocation factor applied to all of the revenues and expenses for each affiliate. To derive the actual amounts by jurisdiction would require an allocation by transaction by account number and would require significant analysis and expense to perform.
- (2) Expense to North Dakota electric and gas jurisdictions. Revenue to affiliate for services provided to NSP (Mn) by affiliate
- (3) Revenue to North Dakota electric and gas jurisdictions. Expense to the affiliate for services provided to the affiliate by NSP (MN).

**Documentation of Affiliated Transactions Allocated to North Dakota**

**2004 Actuals**

*Whole Dollars*

	<u>Total</u> <u>Expense</u>	<u>Total</u> <u>Revenue</u>	<u>Elec %</u>	<u>Gas %</u>	<u>ND Elec%</u>	<u>ND Gas%</u>	<u>Allocation</u> <u>Used (1)</u>
NSP Wis.	287,674	179,929	90.4241%	9.5759%	6.4003%	9.1917%	Common
PSCo	106,245	840,202	100.0%	0.0%	6.4003%	0.0%	Electric
SPS	5,789	13,715	100.0%	0.0%	6.4003%	0.0%	Electric
CLFP	(9,857)	1,775	90.4241%	9.5759%	6.4003%	9.1917%	Common
UP&L	3,678,823	14,076	90.4241%	9.5759%	6.4003%	9.1917%	Common
Reddy Kilowatt	-	-	90.4241%	9.5759%	6.4003%	9.1917%	
Eloigne	-	42,305	90.4241%	9.5759%	6.4003%	9.1917%	Common
Seren	-	-	90.4241%	9.5759%	6.4003%	9.1917%	Common
XES	184,866,599	-	90.4241%	9.5759%	6.4003%	9.1917%	Common
Nuclear Mgmt Co.	315,018,221	-	100.0%	0.0%	6.4003%	0.0%	Electric
UE	9,252,934	47,714	100.0%	0.0%	6.4003%	0.0%	Electric
	<u>513,206,428</u>	<u>1,139,716</u>					

**Notes:**

**(1) Allocation of Revenues & Expenses between NSP Minnesota and Affiliates**

Common Allocation Methodology is Labor		<u>Electric</u>	<u>Gas</u>	<u>Load Dispatch</u>	11.0566%
	Utility Labor Allocator	90.4241%	9.5759%	<u>Design Day</u>	10.9837%
<b>Customers</b>	North Dakota Jurisdictional	6.4003%	9.1917%		
Factor Formula: ((Util Elec)*ND Jur Ele)+((Util Gas)*ND Jur Gas) =					6.6676%

**(2) Affiliated Transactions between Minnesota and Wisconsin**

	<u>Total</u>	<u>ND Alloc.</u>		<u>Total</u>	<u>ND Alloc.</u>	<u>Method</u>	<u>ND Alloc %</u>
<b>Electric Inter change Agreement dollars</b>							
	<b>Expenses</b>						
<b>Revenues ***</b>	97,504,618	5,811,958	Fixed	37,533,363	2,237,251	<b>Demand</b>	5.9607%
	99,806,494	6,057,056	Variable	17,688,428	1,073,475	<b>Energy</b>	6.0688%
	17,638,402	1,032,199	Transmission	40,793,778	2,387,252	<b>Demand</b>	5.8520%
<b>Total</b>	<u>214,949,514</u>	<u>12,901,214</u>		<u>96,015,569</u>	<u>5,697,978</u>		
<b>Gas</b>	SCADA	302,641	33,462	*** Does not include \$5,223,000 for decommissioning			