



2302 Great Northern Drive
Fargo, ND 5802

May 1, 2023

– VIA ELECTRONIC MAIL AND U.S. MAIL –

Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

Re: 2022 REPORTS OF REGULATED EARNINGS FOR XCEL ENERGY'S
NORTH DAKOTA ELECTRIC AND NATURAL GAS OPERATIONS

Dear Mr. Kahl:

Attached are electronic versions of Xcel Energy's Annual Reports of 2022 regulated earnings for our electric and natural gas operations in North Dakota. Also included for your reference are the 2022 Shareholder's Annual Report and a copy of Northern States Power Company–Minnesota's (NSPM's) 2022 FERC Form 1. One original and three copies of each report will be sent by mail under this cover letter to the Commission.

North Dakota Electric Earnings

The Company's regulated electric earnings in 2022 resulted in a Return on Equity (ROE) of 11.74 percent. This reflects an increase in jurisdictional earnings compared to the 11.56 percent reported for 2021.

Normalizing the impact of weather, electric ROE in 2022 was 11.28 percent, compared to 9.62 percent in 2021. Per provisions of the Order on Settlement in Case No. PU-20-441, the Company is obligated to refund 100 percent of weather-normalized earnings in excess of a 9.75 percent ROE which results in a refund obligation of \$7,434,207. As further detailed below, the Company intends to work with Staff to develop and propose an efficient and timely refund plan in the coming months.

Weather-Normalized Allocator Analysis for 2022, Planning Resource Auction (PRA) and Disallowed Resources
In 2022, weather-normalizing the demand allocator results in nearly the same allocation as the non-weather normalized allocator. We have used the non-weather normalized allocator for this filing.

Regarding the PRA revenues and the disallowed resources,¹ we will receive results for the 2023/2024 PRA auction on May 19. Those results will help inform further discussion with Staff. For the purposes of this filing, the PRA revenue for the disallowed resources was removed consistent with the treatment of the associated expenses.. Final resolution is subject to our continued discussion and we will amend the filing accordingly.

Once the results of the PRA are known, the Company will prepare a proposal for the treatment of the 2023 PRA revenues, normalization of the demand allocator on a forward-looking basis, and the treatment of the disallowed resources. We will work to reach a resolution of these issues by the end of June.

North Dakota Electric Reliability Reporting

In compliance with ND Century Code 49-05-19 and ND Administrative Code 69-09-02-06, this report also contains 2022 results for the required key electric reliability performance metrics, as well as details of the “Major Event Day” excluded for purposes of normalizing those performance indicators for extreme outage events.

North Dakota Natural Gas Earnings

The Company’s regulated natural gas earnings in 2022 resulted in an ROE of 10.64 percent. This reflects an increase in jurisdictional earnings compared to 4.01 percent reported in 2021.

Normalizing for weather, natural gas ROE in 2022 was 9.80 percent, which was higher than 2021 normalized ROE of 4.35 percent. The Company’s authorized weather-normalized ROE for natural gas is 9.80 percent, approved October 27, 2022 in Case No. PU-21-381, therefore no refund obligation exists.

Please contact me at alex.j.nisbet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

cc: Victor Schock
Adam Renfandt

Enclosures

¹ Community Solar Gardens were not included as disallowed resources.

ANNUAL REPORT

OF

NORTHERN STATES POWER COMPANY
(A MINNESOTA CORPORATION)

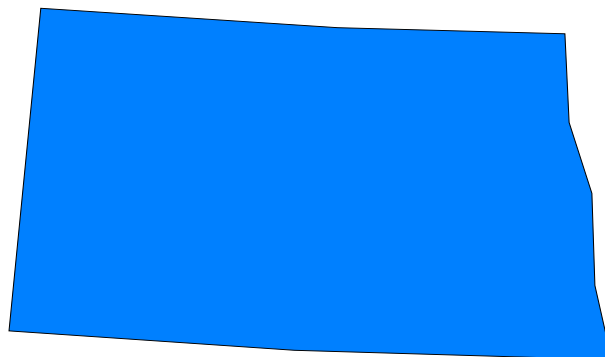
TO THE

NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE YEAR ENDING

DECEMBER 31, 2022

Electric Utility
North Dakota Jurisdiction



2022

Filed May 1, 2023

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Northern States Power Company
Electric Utility - North Dakota
(Dollars In Thousands)

I. RETURN ON EQUITY (ROE)

| <u>Actual Return on Equity (ROE)</u> | <u>2022</u> | <u>2021</u> |
|--|--------------------|--------------------|
| 1 Operating Income from Electric Operations (E-2): | \$56,995 | \$51,213 |
| 2 Average Regulated Rate Base (E-3): | \$697,757 | \$636,340 |
| 3 Rate of Return on Rate Base (ROR) (line 1 / line 2): | 8.17% | 8.05% |
| 4 Weighted Cost of Debt (E-4): | 1.99% | 1.95% |
| 5 Weighted Cost of Preferred Stock (E-4): | 0.00% | 0.00% |
| 6 % of Equity in Capital Structure (E-4): | 52.62% | 52.75% |
| 7 Return on Equity (ROE): | 11.74% | 11.56% |

| <u>ROE, Normalized for Weather Impact</u> | <u>2022 *</u> | <u>2021</u> |
|---|----------------------|--------------------|
| 8 Operating Income from Electric Operations: | \$55,312 | \$46,388 |
| 9 Average Regulated Rate Base (E-3): | 697,927 | 660,497 |
| 10 Rate of Return on Rate Base (ROR) (line 1 / line 2): | 7.93% | 7.02% |
| 11 Weighted Cost of Debt (E-4): | 1.99% | 1.95% |
| 12 Weighted Cost of Preferred Stock (E-4): | 0.00% | 0.00% |
| % of Equity in Capital Structure (E-4): | 52.62% | 52.75% |
| 13 Weather-Normalized Return on Equity (ROE): | 11.28% | 9.62% |

* The weather normalization in 2022 was limited to a single adjustment to weather normalize revenue.

Northern States Power Company
Electric Utility - North Dakota

(Dollars In Thousands)

II. OPERATING INCOME

| <u>Line</u> <u>Item</u> | <u>2022</u> <u>Total NSP</u> | <u>2022 Act</u> <u>N.D. Juris.</u> | <u>2022 W/N *</u> <u>N.D. Juris.</u> | <u>2021 W/N</u> <u>N.D. Juris.</u> | <u>Annual</u> <u>Change</u> |
|--------------------------------------|---------------------------------|---------------------------------------|---|---------------------------------------|--------------------------------|
| <u>Operating Revenues:</u> | | | | | |
| 1 Residential | 1,599,853 | 96,408 | 94,460 | 89,908 | 5.1% |
| 2 Small Comm. & Ind. | 1,823,410 | 115,100 | 114,821 | 103,401 | 11.0% |
| 3 Large Comm. & Ind. | 809,170 | 32,366 | 32,366 | 31,217 | 3.7% |
| 4 Public Street & Highway Ltg | 29,726 | 1,744 | 1,744 | 1,649 | 5.8% |
| 5 Other Sales to Publ Auth | <u>11,058</u> | <u>1,816</u> | <u>1,816</u> | <u>1,528</u> | <u>18.8%</u> |
| Total Retail | 4,273,216 | 247,434 | 245,208 | 227,703 | 7.7% |
| 6 Interdepartmental | 574 | 0 | 0 | 0 | * |
| 7 Sales for Resale | 277,715 | 19,642 | 19,642 | 18,932 | 3.7% |
| 8 Interchange Agreement | 503,867 | 31,442 | 31,442 | 31,588 | -0.5% |
| 9 Other | <u>417,608</u> | <u>22,312</u> | <u>22,312</u> | <u>17,162</u> | <u>30.0%</u> |
| 10 Total Revenues: | 5,472,981 | 320,829 | 318,603 | 295,384 | 7.9% |
| <u>Operating Expenses:</u> | | | | | |
| 11 Fuel & Purchased Energy | 1,634,846 | 101,998 | 101,998 | 88,042 | 15.9% |
| 12 Production | 661,472 | 39,651 | 39,651 | 41,039 | -3.4% |
| 13 Transmission | 421,221 | 25,077 | 25,077 | 25,182 | -0.4% |
| 14 Distribution | 114,483 | 6,404 | 6,404 | 6,262 | 2.3% |
| 15 Customer Billing | 61,689 | 3,986 | 3,986 | 3,976 | 0.2% |
| 16 Customer Service | 142,115 | 197 | 197 | 238 | -17.5% |
| 17 Sales & Marketing | 7,692 | 91 | 91 | 179 | -49.4% |
| 18 Admin. & General | 272,929 | 17,238 | 17,238 | 17,009 | 1.3% |
| 19 Depreciation & Amortization | 1,055,883 | 64,108 | 64,108 | 58,350 | 9.9% |
| 20 Property Taxes | 205,740 | 10,745 | 10,745 | 10,785 | -0.4% |
| 21 Payroll & Other Taxes | 28,748 | 1,782 | 1,782 | 1,972 | -9.7% |
| 22 Income Taxes | 27,819 | 2,762 | 2,557 | 108 | 2257.5% |
| 23 Deferred Income Taxes & ITC | <u>(123,595)</u> | <u>(10,203)</u> | <u>(10,543)</u> | <u>(4,146)</u> | <u>154.3%</u> |
| 24 Total Expenses: | 4,511,042 | 263,835 | 263,290 | 248,997 | 5.7% |
| 25 Regulated Operating Income | 961,938 | 56,995 | 55,312 | 46,388 | 19.2% |

* The weather normalization in 2022 was limited to a single adjustment to weather normalize revenue.

Northern States Power Company

Electric Utility - North Dakota

(Dollars In Thousands)

III. AVERAGE RATE BASE

| <u>Line</u> | <u>Item</u> | <u>2022</u> <u>Total NSP</u> | <u>2022</u> <u>N.D. Juris.</u> | <u>2022 W/N **</u> <u>N.D. Juris.</u> | <u>2021 W/N</u> <u>N.D. Juris.</u> | <u>Annual</u> <u>Change</u> |
|-------------|--------------------------------|---------------------------------|-----------------------------------|--|---------------------------------------|--------------------------------|
| 1 | Plant in Service | 25,574,176 | 1,491,843 | 1,491,843 | 1,459,160 | 2.2% |
| 2 | Accumulated Depreciation | <u>11,774,751</u> | <u>680,312</u> | <u>680,312</u> | <u>676,550</u> | <u>0.6%</u> |
| 3 | Net Plant in Service | 13,799,425 | 811,531 | 811,531 | 782,610 | 3.7% |
| 4 | Plant Held for Future Use | 0 | 0 | 0 | 0 | * |
| 5 | Construct Work in Progress | 59,513 | 3,737 | 3,737 | 3,285 | 13.8% |
| 6 | Materials and Supplies | 187,030 | 11,169 | 11,169 | 11,203 | -0.3% |
| 7 | Fuel Stocks | 90,990 | 6,024 | 6,024 | 4,748 | 26.9% |
| 8 | Prepayments & Other Rate Base | 164,881 | 13,422 | 13,422 | 7,945 | 68.9% |
| 9 | Customer Deposits | (28,596) | (32) | (32) | (45) | -29.4% |
| 10 | Cash Working Capital | 0 | 0 | 0 | 0 | * |
| 11 | Other Rate Base * | 38,975 | (7,007) | (7,007) | 490 | -1530.9% |
| 12 | Accum. Deferred Taxes | <u>(2,399,439)</u> | <u>(141,086)</u> | <u>(140,916)</u> | <u>(149,738)</u> | <u>-5.9%</u> |
| 13 | Total Other Rate Base | (1,886,646) | (113,774) | (113,604) | (122,113) | -7.0% |
| 14 | Total Average Rate Base | 11,912,780 | 697,757 | 697,927 | 660,497 | 5.7% |

* Includes deferred assets and liabilities such as accrued vacations, post-retirement medical benefits (FASB 106), post-employment benefits (FASB 112), unfunded pension liability, environmental cleanup, severance accrual, levelized PTC liability, etc.

** The weather normalization in 2022 was limited to a single adjustment to weather normalize revenue.

Northern States Power Company

Electric Utility - North Dakota

(Dollars In Thousands)

IV. COST OF CAPITAL

2022 Actual

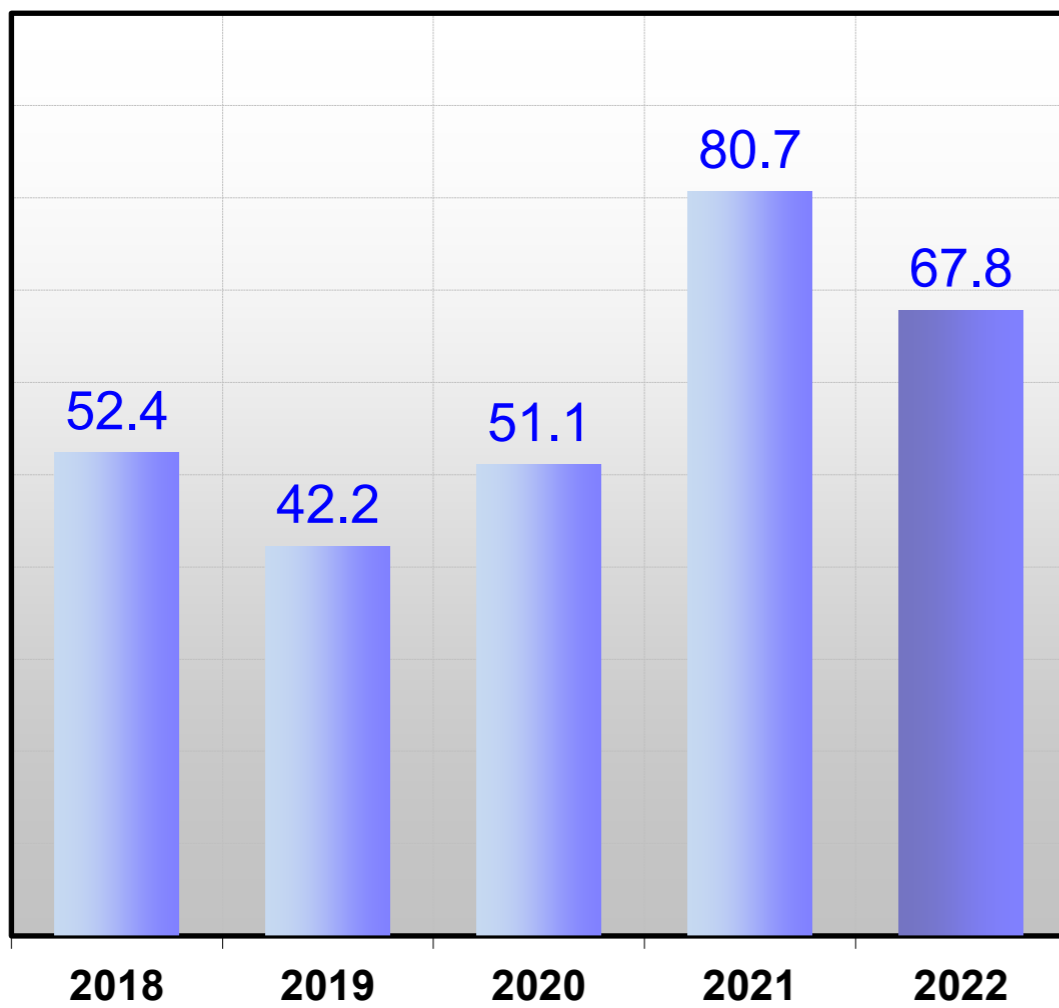
| <u>Line</u> | <u>Item</u> | <u>Amount</u> | <u>% of Total</u> | <u>Cost</u> | <u>Weighted Cost</u> |
|-------------|-----------------|---------------|-------------------|-------------|----------------------|
| 1 | Long-Term Debt | \$6,840,843 | 47.16% | 4.18% | 1.97% |
| 2 | Short-Term Debt | \$31,917 | 0.22% | 6.92% | 0.02% |
| 3 | Total Debt | \$6,872,760 | 47.38% | 4.19% | 1.99% |
| 4 | Preferred Stock | \$0 | 0.00% | 0.00% | 0.00% |
| 5 | Common Equity | \$7,632,145 | 52.62% | 11.74% | 6.18% |
| 6 | Total Equity | \$7,632,145 | 52.62% | | |
| 7 | Total Capital | \$14,504,905 | 100.00% | | 8.17% |

2022 Normalized

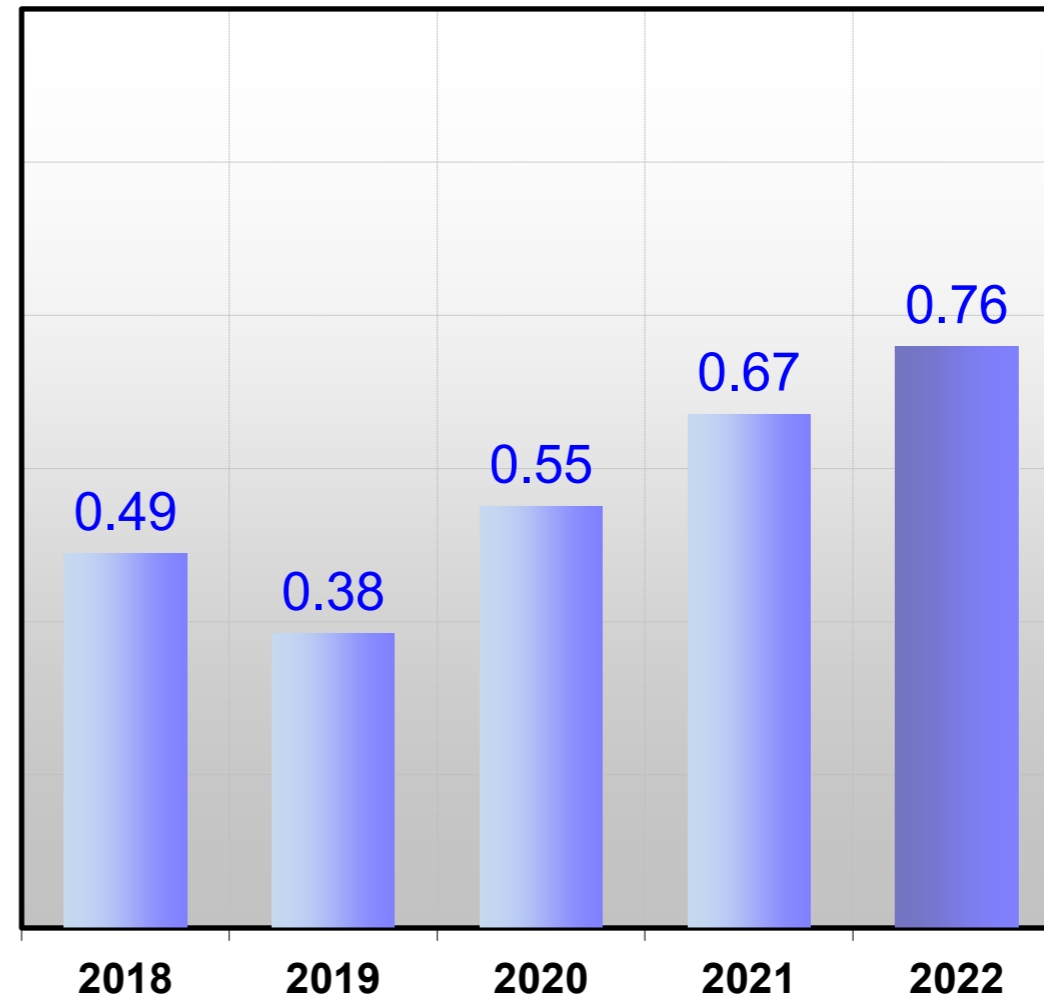
| <u>Line</u> | <u>Item</u> | <u>Amount</u> | <u>% of Total</u> | <u>Cost</u> | <u>Weighted Cost</u> |
|-------------|-----------------|---------------|-------------------|-------------|----------------------|
| 8 | Long-Term Debt | \$6,840,843 | 47.16% | 4.18% | 1.97% |
| 9 | Short-Term Debt | \$31,917 | 0.22% | 6.92% | 0.02% |
| 10 | Total Debt | \$6,872,760 | 47.38% | 4.19% | 1.99% |
| 11 | Preferred Stock | \$0 | 0.00% | | 0.00% |
| 12 | Common Equity | \$7,632,145 | 52.62% | 11.28% | 5.94% |
| 13 | Total Equity | \$7,632,145 | 52.62% | | |
| 14 | Total Capital | \$14,504,905 | 100.00% | | 7.93% |

I. RELIABILITY PERFORMANCE

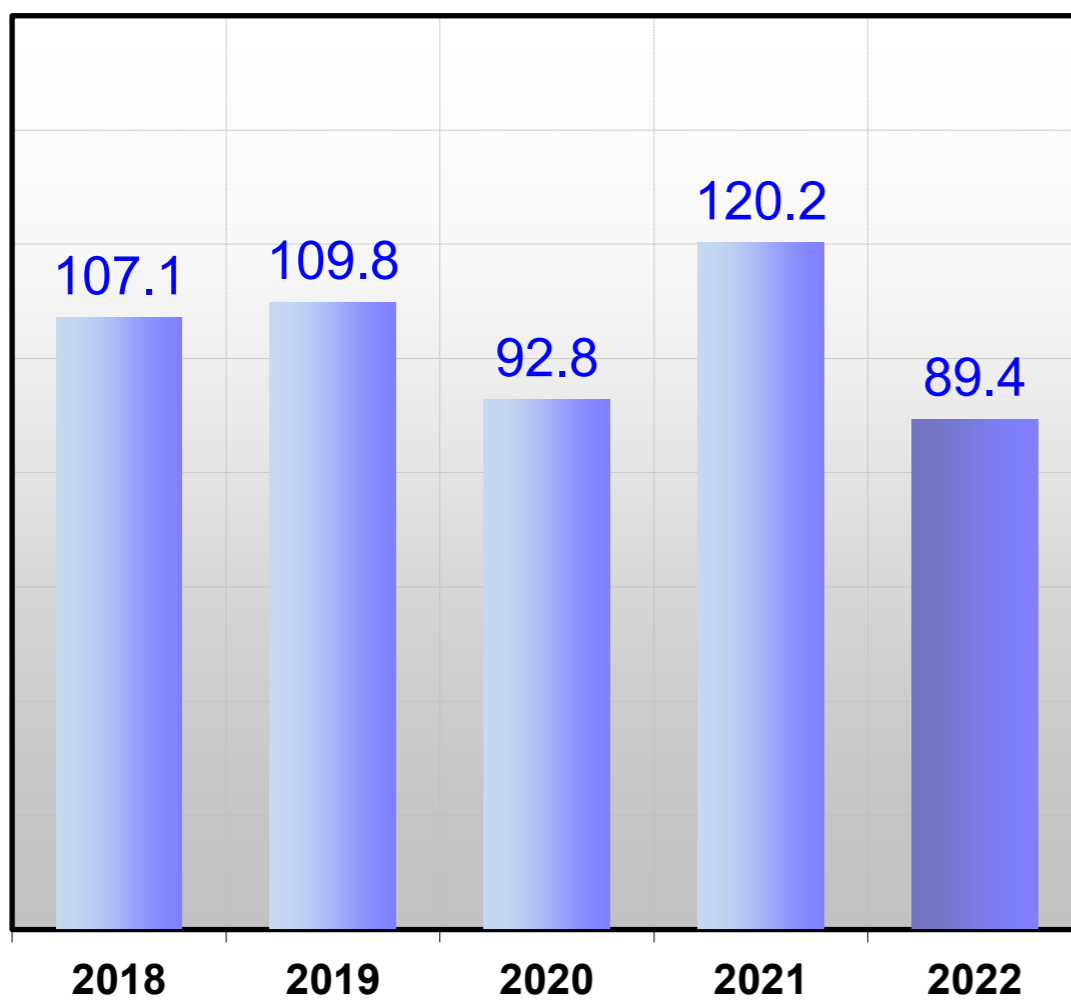
SAIDI - System Average Interruption Duration Index
(Average Total Minutes Interrupted Per Customer)



SAIFI - System Average Interruption Frequency Index
(Average Number of Interruptions per Customer)



CAIDI - Customer Average Interruption Duration Index
(Average Duration (min.) of Customer Interruptions)



Key Performance Indicator Supporting Data

| | (1) SCI | (2) CMO | (3) Cust | (2)/(3) SAIDI | (1)/(3) SAIFI | (2)/(1) CAIDI |
|-----|------------|------------|-------------|------------------|------------------|------------------|
| Jan | 598 | 70,279 | 94,432 | 0.74 | 0.01 | 117.52 |
| Feb | 6,448 | 663,223 | 94,489 | 7.02 | 0.07 | 102.86 |
| Mar | 1,639 | 173,348 | 94,642 | 1.83 | 0.02 | 105.76 |
| Apr | 10,975 | 772,578 | 94,641 | 8.16 | 0.12 | 70.39 |
| May | 15,743 | 827,176 | 94,725 | 8.73 | 0.17 | 52.54 |
| Jun | 12,464 | 1,224,499 | 94,328 | 12.98 | 0.13 | 98.24 |
| yyy | 7,012 | 715,623 | 94,720 | 7.56 | 0.07 | 102.06 |
| Aug | 7,153 | 797,642 | 94,824 | 8.41 | 0.08 | 111.51 |
| Sep | 3,067 | 344,015 | 94,795 | 3.63 | 0.03 | 112.17 |
| Oct | 4,584 | 458,225 | 94,798 | 4.83 | 0.05 | 99.96 |
| Nov | 1,215 | 153,568 | 94,838 | 1.62 | 0.01 | 126.39 |
| Dec | 936 | 219,324 | 94,916 | 2.31 | 0.01 | 234.32 |
| | 71,834 | 6,419,500 | 94,679 | 67.83 | 0.76 | 89.37 |

SCI = Sustained customer interruptions
CMO = Customer minutes out
Cust = # of customers (meters)

Note: Results reflect all system levels of sustained (> 5 minutes) interruptions occurring within the state of North Dakota. Customer counts are meter-based. Normalization calculations are consistent with IEEE Standard 1366 and use a rolling 5 year history of North Dakota interruption data. The following number of "Major Event Days" were excluded in the normalization computation for each of the past 5 years: 2022 - 1 day; 2021 - 1 day; 2020 - 3 days; 2019 - 2 days; 2018 - 1 day. See Page E-6 for 2021 Major Event Day detail.

**Northern States Power Company
Electric Utility - North Dakota**

II. RELIABILITY PERFORMANCE - Major Event Day Detail

2022 MED Exclusion Summary

| Date | Customer Interruptions | Customer Minutes | July Cust. Count | SAIFI impact | SAIDI impact | MED (SAIDI) Threshold |
|-----------|------------------------|------------------|------------------|--------------|--------------|-----------------------|
| 7/23/2022 | 4,806 | 970,443 | 94,720 | 0.05 | 10.25 | 6.46 |

Main Driver

| | | | | | | |
|--------------------------------|-------|---------|--|------|------|--|
| Tree contact/Wind/Thunderstorm | 3,910 | 908,243 | | 0.04 | 9.59 | |
|--------------------------------|-------|---------|--|------|------|--|

All Outages on MED exclusion day

| Begin Time | Cause | Area Office | SCI | CMO | SAIFI impact | SAIDI impact | Feeder | Level | Duration (Minutes) | Weather |
|------------------|-------------------------------|------------------|-------|---------|--------------|--------------|--------|---------------------|--------------------|-----------------------|
| 7/23/22 12:42 AM | Unknown Cause Under Inves | 06_Grand_Forks_1 | 471 | 19,311 | 0.00 | 0.20 | LAR001 | Transmission Line/S | 41 | Rain and Lightning |
| 7/23/22 12:42 AM | Unknown Cause Under Inves | 06_Grand_Forks_1 | 256 | 10,496 | 0.00 | 0.11 | LAR002 | Transmission Line/S | 41 | Rain and Lightning |
| 7/23/22 12:42 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 9 | 9,891 | 0.00 | 0.10 | LAR001 | Overhead Primary | 1,099 | Wind |
| 7/23/22 12:53 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 481 | 102,934 | 0.01 | 1.09 | TOM021 | Feeder | 214 | Wind & Lightning |
| 7/23/22 1:12 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 16 | 4,464 | 0.00 | 0.05 | NOR023 | Overhead Transform | 279 | Rain and Lightning |
| 7/23/22 1:12 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 18 | 4,734 | 0.00 | 0.05 | GAT023 | Overhead Primary | 263 | Rain and Lightning |
| 7/23/22 1:15 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 1,493 | 244,135 | 0.02 | 2.58 | NOR033 | Feeder | 164 | Wind & Lightning |
| 7/23/22 1:20 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 21 | 6,174 | 0.00 | 0.07 | GAT032 | Overhead Transform | 294 | Rain and Lightning |
| 7/23/22 1:26 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 74 | 16,576 | 0.00 | 0.18 | GAT031 | Overhead Primary | 224 | Wind & Lightning |
| 7/23/22 1:27 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 1 | 768 | 0.00 | 0.01 | REY021 | Overhead Primary | 768 | Extreme Heat/Humidity |
| 7/23/22 1:34 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 976 | 174,724 | 0.01 | 1.84 | GAT023 | Feeder | 179 | Wind & Lightning |
| 7/23/22 1:44 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 207 | 75,348 | 0.00 | 0.80 | LAR001 | Feeder | 364 | Wind |
| 7/23/22 1:44 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 264 | 156,816 | 0.00 | 1.66 | LAR001 | Feeder | 594 | Wind |
| 7/23/22 1:44 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 256 | 83,200 | 0.00 | 0.88 | LAR002 | Feeder | 325 | Wind |
| 7/23/22 4:46 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 57 | 23,598 | 0.00 | 0.25 | TOM021 | Overhead Primary | 414 | Wind & Lightning |
| 7/23/22 5:11 AM | Veg Tree Inside Maint Corrid | 06_Grand_Forks_1 | 15 | 1,125 | 0.00 | 0.01 | GAT023 | Overhead Transform | 75 | Wind & Lightning |
| 7/23/22 9:15 AM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 1 | 567 | 0.00 | 0.01 | HAT001 | Overhead Secondary | 567 | Fair |
| 7/23/22 10:44 AM | Public Damage Dig-In | 05_Fargo_ND | 13 | 8,892 | 0.00 | 0.09 | RED234 | Underground Primar | 684 | Fair |
| 7/23/22 10:44 AM | Public Damage Dig-In | 05_Fargo_ND | 10 | 8,060 | 0.00 | 0.09 | RED234 | Underground Primar | 806 | Fair |
| 7/23/22 12:54 PM | Clear for Xcel Personnel Safe | 06_Grand_Forks_1 | 1 | 6 | 0.00 | 0.00 | TOM021 | Overhead Transform | 6 | Fair |
| 7/23/22 1:27 PM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 3 | 669 | 0.00 | 0.01 | MAY031 | Overhead Primary | 223 | Rain and Lightning |
| 7/23/22 3:59 PM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 11 | 924 | 0.00 | 0.01 | LAR001 | Overhead Transform | 84 | Wind & Lightning |
| 7/23/22 4:53 PM | Veg Tree Outside Main Corri | 06_Grand_Forks_1 | 7 | 1,596 | 0.00 | 0.02 | LAR001 | Overhead Transform | 228 | Wind & Lightning |
| 7/23/22 6:22 PM | Cable Failure Pri Unjacketed | 05_Fargo_ND | 103 | 10,815 | 0.00 | 0.11 | RED232 | Underground Primar | 105 | Fair |
| 7/23/22 6:22 PM | Cable Failure Pri Unjacketed | 05_Fargo_ND | 42 | 4,620 | 0.00 | 0.05 | RED232 | Underground Primar | 110 | Fair |
| | | | 4,806 | 970,443 | 0.05 | 10.25 | | | | |

**Northern States Power Company
Electric Utility - North Dakota**

I. SALES AND CUSTOMER DATA

Electric Utility (N. D. Jurisdiction)

| <u>Line</u> | <u>Customers (@ Dec)</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Residential | 82,270 | 81,743 | 81,223 | 81,321 | 81,023 | 80,985 | 80,623 |
| 2 | Small C & I | 12,943 | 12,907 | 12,788 | 12,823 | 12,826 | 12,753 | 12,746 |
| 3 | Large C & I | 24 | 24 | 24 | 24 | 23 | 23 | 24 |
| 4 | PSHL/OSPA | <u>403</u> | <u>405</u> | <u>403</u> | <u>415</u> | <u>406</u> | <u>391</u> | <u>375</u> |
| 5 | Total Retail | 95,640 | 95,079 | 94,438 | 94,583 | 94,278 | 94,152 | 93,768 |
| <u>Line</u> | <u>Mwh Sales</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| 6 | Residential | 796,023 | 766,051 | 779,212 | 782,123 | 794,324 | 753,332 | 744,260 |
| 7 | Small C & I | 1,006,210 | 980,490 | 977,092 | 1,030,730 | 1,070,766 | 1,061,226 | 1,077,523 |
| 8 | Large C & I | 350,501 | 358,702 | 342,142 | 370,487 | 371,963 | 365,348 | 362,964 |
| 9 | PSHL/OSPA | <u>27,632</u> | <u>27,289</u> | <u>29,223</u> | <u>29,831</u> | <u>28,025</u> | <u>27,578</u> | <u>27,992</u> |
| 10 | Total Retail | 2,180,366 | 2,132,532 | 2,127,669 | 2,213,171 | 2,265,078 | 2,207,484 | 2,212,739 |
| 11 | Ave. ¢/Kwh | 11.35¢ | 10.72¢ | 9.32¢ | 9.00¢ | 9.30¢ | 9.43¢ | 9.28¢ |
| 12 | Ave. Res. Mo. Usage (kwh) | 806 | 781 | 799 | 801 | 817 | 775 | 769 |
| 13 | Ave. Res. Monthly Bill | \$97.65 | \$92.63 | \$81.89 | \$80.76 | \$84.98 | \$81.98 | \$80.49 |

Northern States Power Company Electric Utility - North Dakota

II. AFFILIATED TRANSACTION SUMMARY

| | | | North Dakota Jurisdiction Electric and Gas Totals (1) | |
|-----------------------|-----------------------------|----------------------------------|--|--------------------|
| Affiliate Name | Services Rendered | | Expense (2) | Revenue (3) |
| 1 | NSP Wisconsin | Electric and Gas Utility | 12,157,558 | 34,188,352 |
| 2 | Public Service of Colorado | Electric and Gas Utility | 305,222 | (311,495) |
| 3 | Southwestern Public Service | Electric Utility | (710) | (202,392) |
| 4 | Xcel Energy Services | Xcel Energy Inc. Service Company | 143,847,744 | 101,854,446 |
| 5 | Xcel Energy, Inc. | Engineering services | 7,845,457 | 34,740,852 |
| | | | 164,155,272 | 170,269,763 |

Notes:

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

Northern States Power Company Electric Utility - North Dakota

III. AFFILIATED TRANSACTION ALLOCATION DETAIL

| | <u>Total Expense</u> | <u>Total Revenue</u> | <u>Elec %</u> | <u>Gas %</u> | <u>ND Elec % (Customers)</u> | <u>ND Gas % (Customers)</u> |
|---------------|------------------------|------------------------|---------------|--------------|----------------------------------|---------------------------------|
| NSP Wisconsin | \$ (490,391) | \$ 32,103,513 | 93.6546% | 6.3454% | 6.2041% | 11.4446% |
| PSCo | 4,919,689 | (5,020,799) | 100.0000% | 0.0000% | 6.2041% | 0.0000% |
| SPS | (11,442) | (3,262,228) | 100.0000% | 0.0000% | 6.2041% | 0.0000% |
| XES | 2,200,640,531 | 1,558,210,196 | 93.6546% | 6.3454% | 6.2041% | 11.4446% |
| XEI | 126,456,004 | 559,966,025 | 100.0000% | 0.0000% | 6.2041% | 0.0000% |
| | <u>\$2,331,514,391</u> | <u>\$2,141,996,707</u> | | | | |

Notes:

Allocation of Revenues & Expenses between NSP Minnesota and Affiliates

Common Allocation Method: Labor

| | <u>Electric</u> | <u>Gas</u> | | |
|----------------------------|-----------------|------------|---------------|----------|
| Utility Labor Allocator | 93.6546% | 6.3454% | Load Dispatch | 12.2863% |
| ND Jur. Customer Allocator | 6.2041% | 11.4446% | Design Day | 12.6077% |

Factor Formula: ((Util Elec)*ND Jur Ele)+((Util Gas)*ND Jur Gas) = 6.5366%

Affiliated Transactions between Minnesota and Wisconsin (Interchange Agreement)

| | <u>Total Revenue</u> | <u>ND Alloc.</u> | <u>Total Expense</u> | <u>ND Alloc.</u> | <u>Alloc Method</u> | <u>ND Alloc %</u> |
|----------------|----------------------|------------------|----------------------|------------------|---------------------|-------------------|
| Fixed | \$236,163,196 | \$14,059,740 | \$47,067,946 | \$2,802,143 | Demand | 5.9534% |
| Variable | \$216,631,126 | \$14,341,197 | \$22,831,577 | \$1,511,473 | Energy | 6.6201% |
| Transmission | \$61,002,657 | \$3,631,732 | \$132,294,095 | \$7,875,997 | Demand | 5.9534% |
| Electric Total | \$513,796,979 | \$32,032,669 | \$202,193,618 | \$12,189,613 | | |

Gas SCADA Agreement

| | <u>Total Rev</u> | <u>ND Alloc.</u> | <u>Alloc Method</u> | <u>ND Alloc %</u> |
|-------|------------------|------------------|---------------------|-------------------|
| SCADA | 465,516 | 57,195 | Load Dispatch | 12.2863% |