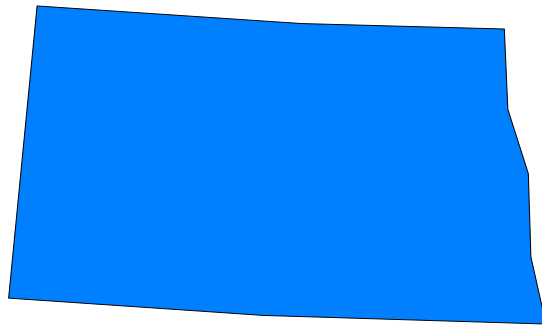


**ANNUAL REPORT**  
**OF**  
**NORTHERN STATES POWER COMPANY**  
**(A MINNESOTA CORPORATION)**  
**TO THE**  
**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE YEAR ENDING**

**DECEMBER 31, 2024**

**Natural Gas Utility**  
**North Dakota Jurisdiction**



**2024**

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# Northern States Power Company Natural Gas Utility - North Dakota

(Dollars In Thousands)

## I. RETURN ON EQUITY (ROE)

<u>Actual Return on Equity (ROE)</u>	<u>2024</u>	<u>2023</u>
1 Operating Income from Gas Operations (G-2):	\$9,871	\$7,392
2 Average Regulated Rate Base (G-3):	\$172,136	\$143,121
3 Rate of Return on Rate Base (ROR) (line 1 / line 2):	5.73%	5.16%
4 Weighted Cost of Debt (G-4):	2.14%	2.08%
5 Weighted Cost of Preferred Stock (G-4):	0.00%	0.00%
6 % of Equity in Capital Structure (G-4):	52.49%	52.54%
7 <b>Return on Equity (ROE):</b>	<b>6.85%</b>	<b>5.87%</b>

<u>ROE, Normalized for Weather Impact on Sales</u>	<u>2024</u>	<u>2023</u>
8 Operating Income from Gas Operations:	\$9,871	\$7,392
9 Impact of weather on Mcf Sales:	<u>(1,593,396)</u>	<u>(236,085)</u>
10 Impact of weather on Gas Operating Income :	(\$1,028)	(\$132)
11 Weather-Normalized Operating Income:	<u>\$10,899</u>	<u>\$7,524</u>
12 Average Regulated Rate Base:	\$171,977	\$143,121
13 Weather-Normal Rate of Return on Rate Base (ROR):	6.34%	5.26%
14 <b>Weather-Normalized Return on Equity (ROE):</b>	<b>8.00%</b>	<b>6.05%</b>

# Northern States Power Company Natural Gas Utility - North Dakota

(Dollars In Thousands)

## II. OPERATING INCOME

<u>Line</u>	<u>Item</u>	<b>2024</b> <u>Total NSP</u>	<b>2024</b> <u>N.D. Juris.</u>	<u>N. D. %</u>	<b>2023</b> <u>N.D. Juris.</u>	<u>Annual</u> <u>Change</u>
	<b><u>Operating Revenues<sup>1</sup></u></b>					
1	Residential	209,429	17,690	8.4%	14,596	21.2%
2	Firm C & I	95,646	15,270	16.0%	13,327	14.6%
3	Interruptible C & I	13,300	2,250	16.9%	2,220	1.3%
4	Total Retail	318,375	35,210	11.1%	30,143	16.8%
5	Interdepartmental Generation	4,215	0	0.0%	0	0.0%
6	Transportation	9,455	910	9.6%	566	60.9%
7	Other	13,855	1,646	11.9%	1,870	-12.0%
8	Total Revenues:	345,900	37,766	10.9%	32,578	15.9%
	<b><u>Operating Expenses:</u></b>					
9	Production <sup>2</sup>	9,230	2,239	24.3%	2,542	-11.9%
10	Transmission	2,198	262	11.9%	191	37.0%
11	Distribution	48,383	6,061	12.5%	5,381	12.7%
12	Customer Billing	13,184	1,533	11.6%	1,691	-9.3%
13	Customer Service	22,472	283	1.3%	277	2.5%
14	Sales & Marketing	45	6	12.7%	7	-16.9%
15	Admin. & General	30,644	3,799	12.4%	3,935	-3.4%
16	Depreciation & Amortizations	62,364	9,068	14.5%	7,786	16.5%
17	Property Taxes	21,859	2,035	9.3%	1,828	11.3%
18	Payroll & Other Taxes	3,644	448	12.3%	441	1.7%
19	Income Taxes	11,597	51	0.0%	442	-88.5%
20	Deferred Income Taxes	12,125	2,111	17.4%	668	215.8%
21	Total Expenses:	237,744	27,895	11.7%	25,186	10.8%
22	<b>Regulated Operating Income</b>	108,156	9,871	9.1%	7,392	33.5%

<sup>1</sup> Revenues exclude natural gas commodity cost recovery, per prior NDPSC staff directive.

<sup>2</sup> Production expense excludes natural gas commodity costs, and includes a \$1.14 million 2024 amortization of the deferred Fargo MGP remediation costs.

**Northern States Power Company**  
**Natural Gas Utility - North Dakota**

(Dollars In Thousands)

**III. AVERAGE RATE BASE**

<u>Line</u>	<u>Item</u>	<b>2024</b> <u>Total NSP</u>	<b>2024</b> <u>N.D. Juris.</u>	<u>N. D. %</u>	<b>2023</b> <u>N.D. Juris.</u>	<u>Annual</u> <u>Change</u>
1	Plant in Service	2,464,169	283,868	11.5%	246,795	15.0%
2	Accumulated Depreciation	862,019	93,379	10.8%	87,670	6.5%
3	Net Plant in Service	1,602,150	190,489	11.9%	159,125	19.7%
4	Plant Held for Future Use	0	0	*	0	*
5	Construct Work in Progress	11,438	1,833	16.0%	884	107.3%
6	Materials and Supplies	2,462	286	11.6%	318	-10.3%
7	Fuel Stocks	17,857	2,169	12.1%	3,445	-37.0%
8	Prepayments & Other	799	(1,233)	-154.3%	(1,287)	-4.2%
9	Customer Deposits	(250)	(29)	11.6%	(24)	22.9%
10	Cash Working Capital	0	0	*	0	*
11	Other Rate Base <sup>1</sup>	10,635	2,105	19.8%	2,132	-1.2%
12	Accum. Deferred Taxes	(239,301)	(23,484)	9.8%	(21,473)	9.4%
13	Total Other Rate Base	(196,359)	(18,353)	9.3%	(16,004)	14.7%
14	Total Average Rate Base	1,405,791	172,136	12.2%	143,121	20.3%

<sup>1</sup> 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, etc.

**Northern States Power Company**  
**Natural Gas Utility - North Dakota**

(Dollars In Millions)

**IV. COST OF CAPITAL**

<b>2024 Actual</b>					
<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
1	Long-Term Debt	\$7,944	47.09%	4.48%	2.11%
2	Short-Term Debt	\$72	0.43%	6.30%	0.03%
3	Total Debt	\$8,015	47.51%	4.50%	2.14%
4	Preferred Stock	\$0	0.00%	0.00%	0.00%
5	Common Equity	\$8,854	52.49%	6.85%	3.59%
6	Total Equity	\$8,854	52.49%		
7	Total Capital	\$16,869	100.00%		5.73%

<b>2024 Normalized</b>					
<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
8	Long-Term Debt	\$7,944	47.09%	4.48%	2.11%
9	Short-Term Debt	\$72	0.43%	6.30%	0.03%
10	Total Debt	\$8,015	47.51%	4.50%	2.14%
11	Preferred Stock	\$0	0.00%	0.00%	0.00%
12	Common Equity	\$8,854	52.49%	8.00%	4.20%
13	Total Equity	\$8,854	52.49%		
14	Total Capital	\$16,869	100.00%		6.34%

**Xcel Energy**  
**Natural Gas Utility - State of North Dakota**  
**2024 Demand Side Management Activity Report**

**2024 Results**

<u>Program</u>	<u>Customers</u>	<u>Dkth Savings</u>	<u>Expenses</u>
Home Energy Audits	10	na	\$6,240
Furnace/Boiler Rebates	592	10,684	\$60,800
Water Heater Rebates	147	1,344	\$35,825
Efficiency Showerheads	<u>187</u>	<u>463</u>	<u>\$60,275</u>
Totals	<u>936</u>	<u>12,490</u>	<u>\$163,139</u>

**Test Year Projections\***

<u>Program</u>	<u>Customers</u>	<u>Dkth Savings</u>	<u>Expense</u>
Home Energy Audits	55	na	\$26,084
Furnace/Boiler Rebates	725	11,673	\$104,500
Water Heater Rebates	30	153	\$4,020
Efficiency Showerheads	<u>200</u>	<u>446</u>	<u>\$3,656</u>
Totals	<u>1,010</u>	<u>12,272</u>	<u>\$138,260</u>

Notes: The North Dakota residential natural gas heating, water heating, and showerhead programs performed well in 2024, with participation goals and dekatherm savings generally comparable to or exceeding annual targets. There was significant spend in the showerheads program, due to some invoices from 2023 (which had record showerhead participation) being paid in 2024. Home Energy Audit participation continues to lag. Except for the showerhead program, which is a targeted direct outreach effort, DSM programs were marked primarily through Xcel Energy bill "onserts" which reach all of the company's residential natural gas programs in North Dakota. This tactic is reasonably priced and helps to build continued awareness. Additional marketing actions included the cross-marketing of programs via a trade partner newsletter and an advertising campaign during the 3rd and 4th quarters.

\* Per Settlement in Case No. PU-06-525. Since then program and energy savings goals within the ND portfolio have been adjusted while holding total costs at or near the Test Year expense of \$138,260. These new goals reflect historical performance and customer participation. Thus, the \$138,260 Test Year budget was redistributed among the four programs to align their respective budgets and participant goals.

# Northern States Power Company

## Supporting Information - North Dakota

### I. SALES AND CUSTOMER DATA

#### Natural Gas Utility (N. D. Jurisdiction)

Line	Customers (@ Dec)	2024	2023	2022	2021	2020	2019	2018
1	Residential	55,090	54,261	53,385	52,247	50,934	49,993	49,120
2	Firm C & I	9,858	9,661	9,361	9,188	8,932	8,789	8,568
3	Interruptible C & I	66	67	79	84	85	89	90
4	Total Retail	65,014	63,989	62,825	61,519	59,951	58,871	57,778
5	Transportation	3	3	3	3	1	1	1
	<u>Mcf Sales</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
6	Residential	3,746	4,170	4,653	3,724	3,953	4,320	4,028
7	Firm C & I	6,402	6,742	7,219	5,994	6,191	6,244	5,737
8	Interruptible C & I	2,041	2,018	1,821	1,896	2,120	2,901	2,701
9	Total Retail	12,189	12,930	13,693	11,614	12,264	13,465	12,466
10	Transportation	1,572	1,459	1,648	1,586	1,128	987	893
	<u>Retail Revenues</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<i>Distribution Services</i>							
11	Residential	\$17,690	\$14,596	13,515	12,032	11,319	11,055	10,754
12	Firm C & I	\$15,270	\$13,327	12,624	10,545	9,976	9,951	9,328
13	Interruptible C & I	\$2,250	\$2,220	2,303	1,614	1,443	1,984	1,976
14	Total Distribution Svcs	\$35,210	\$30,143	28,442	24,191	22,738	22,990	22,058
	<i>Gas Cost Recovery</i>							
15	Residential	\$14,824	\$24,818	\$37,499	19,941	12,600	15,970	16,112
16	Firm C & I	\$24,030	\$38,858	\$59,599	31,057	19,692	22,917	22,911
17	Interruptible C & I	\$5,879	\$8,441	\$13,018	8,163	4,909	8,280	8,665
18	Total Gas Cost Recovery	\$44,732	\$72,117	110,117	59,161	37,200	47,167	47,688
19	Total Revenues	\$79,942	\$102,260	138,558	83,352	59,938	70,157	69,746
20	Ave. Retail \$/mcf	\$6.56	\$7.91	\$10.12	\$7.18	\$4.89	\$5.21	\$5.59
21	Ave. Res. Mo. Usage (ccf)	57	64	73	59	65	72	68
22	Ave. Res. Monthly Bill	\$49.18	\$60.53	\$79.63	\$51.00	\$39.13	\$45.05	\$45.58

# Northern States Power Company Gas Utility - North Dakota

## II. AFFILIATED TRANSACTION SUMMARY

			<b>North Dakota Jurisdiction Electric and Gas Totals (1)</b>	
<b>Affiliate Name</b>	<b>Services Rendered</b>	<b>Expense (2)</b>	<b>Revenue (3)</b>	
1	NSP Wisconsin	Electric and Gas Utility	13,814,665	31,639,189
2	Public Service of Colorado	Electric and Gas Utility	162,205	206,386
3	Southwestern Public Service	Electric Utility	(8,900)	111,881
4	Xcel Energy Services	Xcel Energy Inc. Service Company	90,658,006	38,022,741
5	Xcel Energy, Inc.	Engineering services	43,779,143	30,212,441
			148,405,119	100,192,638

### 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 Gas 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	\$ (643,158)	\$ 28,911,993	92.9571%	7.0429%	6.1124%	11.6028%
PSCo	2,653,710	3,376,518	100.0000%	0.0000%	6.1124%	0.0000%
SPS	(145,608)	1,830,394	100.0000%	0.0000%	6.1124%	0.0000%
XES	1,394,935,267	585,047,748	92.9571%	7.0429%	6.1124%	11.6028%
XEI	716,234,909	494,281,150	100.0000%	0.0000%	6.1124%	0.0000%
	\$2,113,035,120	\$1,113,447,803				

### Notes:

#### Allocation of Revenues & Expenses between NSP Minnesota and Affiliates

Common Allocation Method: Labor

	<u>Electric</u>	<u>Gas</u>		
Utility Labor Allocator	92.9571%	7.0429%	Load Dispatch	11.9040%
ND Jur. Customer Allocator	6.1124%	11.6028%	Design Day	13.1975%
Factor Formula: ((Util Elec)*ND Jur Ele)+((Util Gas)*ND Jur Gas) =				6.4991%

#### 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	\$204,632,199	\$13,096,256	\$50,648,189	\$3,241,433	Demand	6.3999%
Variable	\$188,152,416	\$12,308,178	\$14,387,429	\$941,168	Energy	6.5416%
Transmission	\$67,116,676	\$4,295,400	\$151,156,475	\$9,673,863	Demand	6.3999%
Electric Total	\$459,901,291	\$29,699,835	\$216,192,093	\$13,856,465		

#### Gas SCADA Agreement

	<u>Total Rev</u>	<u>ND Alloc.</u>	<u>Alloc Method</u>	<u>ND Alloc %</u>
SCADA	506,883	60,339	Load Dispatch	11.9040%