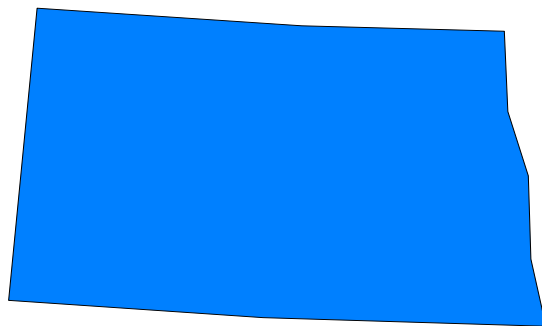


ANNUAL REPORT
OF
NORTHERN STATES POWER COMPANY
(A MINNESOTA CORPORATION)
TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

FOR THE YEAR ENDING

DECEMBER 31, 2024

Electric Utility
North Dakota Jurisdiction



2024

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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>2024</u>	<u>2023</u>
1 Operating Income from Electric Operations (E-2):	\$41,823	\$52,013
2 Average Regulated Rate Base (E-3):	\$793,699	\$727,205
3 Rate of Return on Rate Base (ROR) (line 1 / line 2):	5.27%	7.15%
4 Weighted Cost of Debt (E-4):	2.14%	2.08%
5 Weighted Cost of Preferred Stock (E-4):	0.00%	0.00%
6 % of Equity in Capital Structure (E-4):	52.49%	52.54%
7 Return on Equity (ROE):	5.96%	9.65%

<u>ROE, Normalized for Weather Impact</u>	<u>2024</u>	<u>2023 *</u>
8 Operating Income from Electric Operations:	\$43,054	\$51,061
9 Average Regulated Rate Base (E-3):	793,458	727,301
10 Rate of Return on Rate Base (ROR) (line 1 / line 2):	5.43%	7.02%
11 Weighted Cost of Debt (E-4):	2.14%	2.08%
12 Weighted Cost of Preferred Stock (E-4):	0.00%	0.00%
% of Equity in Capital Structure (E-4):	52.49%	52.54%
13 Weather-Normalized Return on Equity (ROE):	6.26%	9.40%

* The weather normalization in 2024 and 2023 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>	2024 Total NSP	2024 Act N.D. Juris.	2024 W/N N.D. Juris.	2023 W/N* N.D. Juris.	Annual Change
<u>Operating Revenues:</u>						
1	Residential	1,622,679	88,553	89,538	91,842	-2.5%
2	Small Comm. & Ind.	1,707,576	103,513	104,240	105,297	-1.0%
3	Large Comm. & Ind.	736,896	32,921	32,921	30,396	8.3%
4	Public Street & Highway Ltg	29,359	1,625	1,625	1,622	0.2%
5	Other Sales to Publ Auth	<u>10,460</u>	<u>1,559</u>	<u>1,559</u>	<u>1,622</u>	<u>-3.9%</u>
	Total Retail	4,106,970	228,170	229,883	230,779	-0.4%
6	Interdepartmental	760	0	0	0	-
7	Sales for Resale	139,794	8,437	8,437	10,688	-21.1%
8	Interchange Agreement	449,982	29,043	29,043	29,812	-2.6%
9	Other	<u>121,022</u>	<u>5,445</u>	<u>5,445</u>	<u>20,850</u>	<u>-73.9%</u>
10	Total Revenues:	4,818,528	271,096	272,808	292,130	-6.6%
<u>Operating Expenses:</u>						
11	Fuel & Purchased Energy	1,370,678	75,693	75,693	78,020	-3.0%
12	Production	692,534	43,805	43,805	40,384	8.5%
13	Transmission	412,911	26,426	26,426	23,837	10.9%
14	Distribution	113,898	6,446	6,446	7,418	-13.1%
15	Customer Billing	66,365	3,933	3,933	4,531	-13.2%
16	Customer Service	163,239	373	373	392	-5.0%
17	Sales & Marketing	4,748	57	57	178	-68.0%
18	Admin. & General	288,836	18,945	18,945	19,665	-3.7%
19	Depreciation & Amortization	1,049,679	72,033	72,033	64,072	12.4%
20	Property Taxes	183,286	10,641	10,641	9,951	6.9%
21	Payroll & Other Taxes	30,764	2,008	2,008	2,046	-1.9%
22	Income Taxes	388	(0)	(0)	561	-100.0%
23	Deferred Income Taxes & ITC	<u>(412,916)</u>	<u>(31,085)</u>	<u>(30,603)</u>	<u>(9,987)</u>	<u>206.4%</u>
24	Total Expenses:	3,964,409	229,273	229,755	241,069	-4.7%
25	Regulated Operating Income	854,119	41,823	43,054	51,061	-15.7%

* The weather normalization in 2024 and 2023 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>2024</u> <u>Total NSP</u>	<u>2024</u> <u>N.D. Juris.</u>	<u>2024 W/N</u> <u>N.D. Juris.</u>	<u>2023 W/N **</u> <u>N.D. Juris.</u>	<u>Annual</u> <u>Change</u>
1	Plant in Service	28,054,358	1,695,125	1,695,125	1,544,357	9.8%
2	Accumulated Depreciation	12,756,063	777,582	777,582	698,112	11.4%
3	Net Plant in Service	15,298,295	917,543	917,543	846,245	8.4%
4	Plant Held for Future Use	0	0	0	0	-
5	Construct Work in Progress	82,940	5,724	5,724	4,468	28.1%
6	Materials and Supplies	221,609	14,117	14,117	12,234	15.4%
7	Fuel Stocks	90,768	5,938	5,938	6,303	-5.8%
8	Prepayments & Other Rate Base	170,197	12,321	12,321	11,912	3.4%
9	Customer Deposits	(31,607)	(43)	(43)	(36)	21.6%
10	Cash Working Capital	0	0	0	0	-
11	Other Rate Base *	14,316	(26,695)	(26,695)	(21,434)	24.5%
12	Accum. Deferred Taxes	(2,217,374)	(135,205)	(135,445)	(132,392)	2.3%
13	Total Other Rate Base	(1,669,151)	(123,844)	(124,085)	(118,945)	4.3%
14	Total Average Rate Base	13,629,144	793,699	793,458	727,301	9.1%

* 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 2024 and 2023 was limited to a single adjustment to weather normalize revenue.

Northern States Power Company

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(Dollars In Millions) <-- Updated to stay consistent with new Cap Structure Format

IV. COST OF CAPITAL

2024 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	\$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%	5.96%	3.13%
6	Total Equity	\$8,854	52.49%		
7	Total Capital	\$16,869	100.00%		5.27%

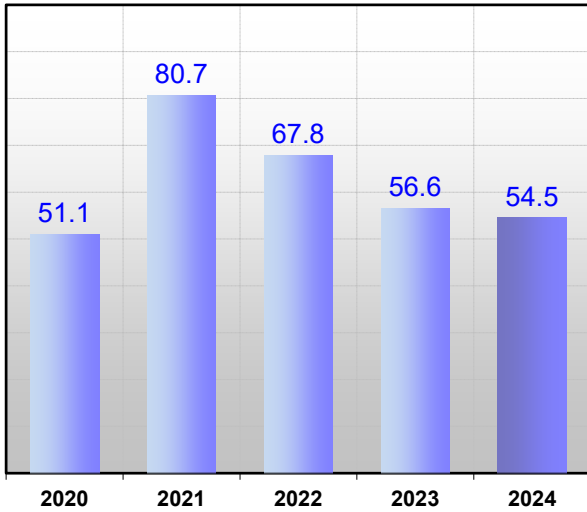
2024 Normalized

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
8	Long-Term Debt	\$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%	6.26%	3.29%
13	Total Equity	\$8,854	52.49%		
14	Total Capital	\$16,869	100.00%		5.43%

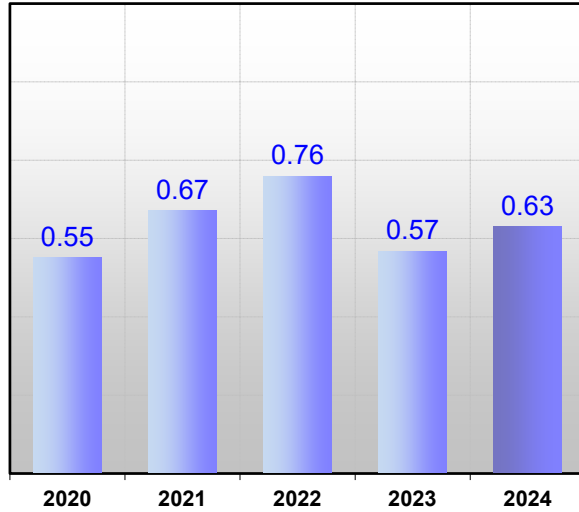
Northern States Power Company
Electric Utility - North Dakota

I. RELIABILITY PERFORMANCE

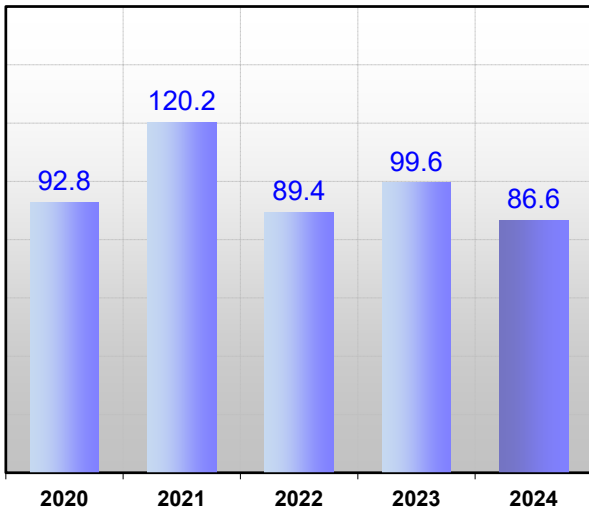
SAIDI - System Average Interruption Duration Index
(Average Total Minutes Interrupted Per Customer)



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	6,785	448,469	95,463	4.70	0.07	66.10
Feb	4,263	319,299	95,563	3.34	0.04	74.90
Mar	3,897	289,568	95,735	3.02	0.04	74.31
Apr	8,585	635,970	95,804	6.64	0.09	74.08
May	2,390	316,242	95,747	3.30	0.02	132.32
Jun	8,900	814,899	95,032	8.57	0.09	91.56
Jul	7,409	486,570	95,739	5.08	0.08	65.67
Aug	4,831	668,378	95,894	6.97	0.05	138.35
Sep	2,323	304,661	95,987	3.17	0.02	131.15
Oct	7,614	624,108	96,001	6.50	0.08	81.97
Nov	2,362	205,814	96,012	2.14	0.02	87.14
Dec	<u>916</u>	<u>104,636</u>	<u>96,068</u>	<u>1.09</u>	<u>0.01</u>	<u>114.23</u>
	60,275	5,218,615	95,754	54.54	0.63	86.57

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: 2024 - 0 day; 2023 - 1 day; 2022 - 1 day; 2021 - 1 day; 2020 - 3 days. See Page E-6 for 2024 Major Event Day detail.

**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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1	Residential	83,192	82,662	82,270	81,743	81,223	81,321	81,023
2	Small C & I	13,024	12,973	12,943	12,907	12,788	12,823	12,826
3	Large C & I	25	23	24	24	24	24	23
4	PSHL/OSPA	<u>415</u>	<u>412</u>	<u>403</u>	<u>405</u>	<u>403</u>	<u>415</u>	<u>406</u>
5	Total Retail	96,656	96,070	95,640	95,079	94,438	94,583	94,278
<u>Line</u>	<u>Mwh 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	731,084	768,332	796,023	766,051	779,212	782,123	794,324
7	Small C & I	958,590	983,913	1,006,210	980,490	977,092	1,030,730	1,070,766
8	Large C & I	387,480	355,987	350,501	358,702	342,142	370,487	371,963
9	PSHL/OSPA	<u>26,429</u>	<u>26,852</u>	<u>27,632</u>	<u>27,289</u>	<u>29,223</u>	<u>29,831</u>	<u>28,025</u>
10	Total Retail	2,103,583	2,135,084	2,180,366	2,132,532	2,127,669	2,213,171	2,265,078
11	Ave. ϕ /Kwh	10.85 ϕ	10.87 ϕ	11.35 ϕ	10.72 ϕ	9.32 ϕ	9.00 ϕ	9.30 ϕ
12	Ave. Res. Mo. Usage (kwh)	732	775	806	781	799	801	817
13	Ave. Res. Monthly Bill	\$88.70	\$93.80	\$97.65	\$92.63	\$81.89	\$80.76	\$84.98

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	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
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	\$ (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%
	<u>\$2,113,035,120</u>	<u>\$1,113,447,803</u>				

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%