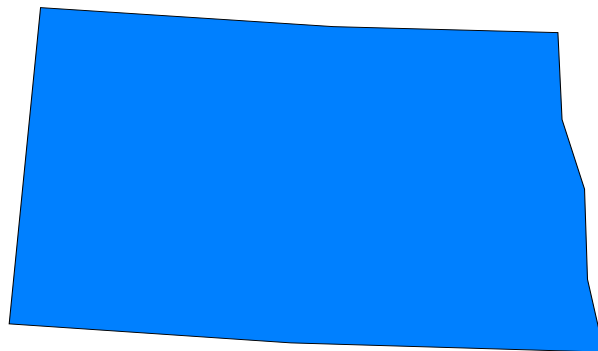


**ANNUAL REPORT**  
**OF**  
**NORTHERN STATES POWER COMPANY**  
**(A MINNESOTA CORPORATION)**  
**TO THE**  
**NORTH DAKOTA PUBLIC SERVICE COMMISSION**

**FOR THE YEAR ENDING**

**DECEMBER 31, 2025**

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



**2025**

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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>2025</u>	<u>2024</u>
1 Operating Income from Gas Operations (G-2):	\$10,704	\$9,871
2 Average Regulated Rate Base (G-3):	\$204,541	\$172,136
3 Rate of Return on Rate Base (ROR) (line 1 / line 2):	5.23%	5.73%
4 Weighted Cost of Debt (G-4):	2.16%	2.14%
5 Weighted Cost of Preferred Stock (G-4):	0.00%	0.00%
6 % of Equity in Capital Structure (G-4):	52.53%	52.49%
7 <b>Return on Equity (ROE):</b>	<b>5.85%</b>	<b>6.85%</b>

<u>ROE, Normalized for Weather Impact on Sales</u>	<u>2025</u>	<u>2024</u>
8 Operating Income from Gas Operations:	\$10,704	\$9,871
9 Impact of weather on Mcf Sales:	<u>(154,220)</u>	<u>(1,593,396)</u>
10 Impact of weather on Gas Operating Income :	(\$2)	(\$1,028)
11 Weather-Normalized Operating Income:	<u>\$10,706</u>	<u>\$10,899</u>
12 Average Regulated Rate Base:	\$204,541	\$171,977
13 Weather-Normal Rate of Return on Rate Base (ROR):	5.23%	6.34%
14 <b>Weather-Normalized Return on Equity (ROE):</b>	<b>5.85%</b>	<b>8.00%</b>

# Northern States Power Company Natural Gas Utility - North Dakota

(Dollars In Thousands)

## II. OPERATING INCOME

<u>Line</u>	<u>Item</u>	<u>2025</u> <u>Total NSP</u>	<u>2025</u> <u>N.D. Juris.</u>	<u>N. D. %</u>	<u>2024</u> <u>N.D. Juris.</u>	<u>Annual</u> <u>Change</u>
	<b><u>Operating Revenues<sup>1</sup></u></b>					
1	Residential	251,612	18,049	7.2%	17,690	2.0%
2	Firm C & I	108,792	17,104	15.7%	15,270	12.0%
3	Interruptible C & I	15,583	2,687	17.2%	2,250	19.4%
4	Total Retail	375,987	37,841	10.1%	35,210	7.5%
5	Interdepartmental Generation	2,562	0	0.0%	0	0.0%
6	Transportation	9,054	1,239	13.7%	910	36.1%
7	Other	3,898	524	13.4%	1,646	-68.2%
8	Total Revenues:	391,500	39,604	10.1%	37,766	4.9%
	<b><u>Operating Expenses:</u></b>					
9	Production	8,834	1,150	13.0%	2,239	-48.6%
10	Transmission	2,171	263	12.1%	262	0.5%
11	Distribution	51,215	5,996	11.7%	6,061	-1.1%
12	Customer Billing	12,022	1,355	11.3%	1,533	-11.6%
13	Customer Service	40,855	354	0.9%	283	25.0%
14	Sales & Marketing	45	7	16.5%	6	30.9%
15	Admin. & General	33,632	3,985	11.8%	3,799	4.9%
16	Depreciation & Amortizations	116,360	10,965	9.4%	9,068	20.9%
17	Property Taxes	28,546	2,142	7.5%	2,035	5.3%
18	Payroll & Other Taxes	3,969	466	11.7%	448	4.0%
19	Income Taxes	(0)	(0)	0.0%	51	-100.0%
20	Deferred Income Taxes	16,411	2,216	13.5%	2,111	5.0%
21	Total Expenses:	314,058	28,900	9.2%	27,895	3.6%
22	<b>Regulated Operating Income</b>	<b>77,442</b>	<b>10,704</b>	<b>13.8%</b>	<b>9,871</b>	<b>8.4%</b>

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

# Northern States Power Company Natural Gas Utility - North Dakota

(Dollars In Thousands)

## III. AVERAGE RATE BASE

<u>Line</u>	<u>Item</u>	<u>2025</u> <u>Total NSP</u>	<u>2025</u> <u>N.D. Juris.</u>	<u>N. D. %</u>	<u>2024</u> <u>N.D. Juris.</u>	<u>Annual</u> <u>Change</u>
1	Plant in Service	2,696,897	325,430	12.1%	283,868	14.6%
2	Accumulated Depreciation	916,551	100,751	11.0%	93,379	7.9%
3	Net Plant in Service	1,780,346	224,679	12.6%	190,489	17.9%
4	Plant Held for Future Use	0	0	*	0	*
5	Construct Work in Progress	7,802	1,209	15.5%	1,833	-34.0%
6	Materials and Supplies	6,431	752	11.7%	286	163.2%
7	Fuel Stocks	19,933	2,449	12.3%	2,169	12.9%
8	Prepayments & Other	2,451	(1,021)	-41.7%	(1,233)	-17.2%
9	Customer Deposits	(300)	(35)	11.7%	(29)	21.0%
10	Cash Working Capital	0	0	*	0	*
11	Other Rate Base <sup>1</sup>	11,260	2,128	18.9%	2,105	1.1%
12	Accum. Deferred Taxes	(250,921)	(25,619)	10.2%	(23,484)	9.1%
13	Total Other Rate Base	(203,344)	(20,137)	9.9%	(18,353)	9.7%
14	<b>Total Average Rate Base</b>	<b>1,577,002</b>	<b>204,541</b>	<b>13.0%</b>	<b>172,136</b>	<b>18.8%</b>

<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**

**2025 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	\$8,609	46.50%	4.53%	2.11%
2	Short-Term Debt	\$180	0.97%	4.75%	0.05%
3	Total Debt	\$8,789	47.47%	4.55%	2.16%
4	Preferred Stock	\$0	0.00%	0.00%	0.00%
5	Common Equity	\$9,725	52.53%	5.85%	3.07%
6	Total Equity	\$9,725	52.53%		
7	Total Capital	\$18,514	100%		<b>5.23%</b>

**2025 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	\$8,609	46.50%	4.53%	2.11%
9	Short-Term Debt	\$180	0.97%	4.75%	0.05%
10	Total Debt	\$8,789	47.47%	4.55%	2.16%
11	Preferred Stock	\$0	0.00%	0.00%	0.00%
12	Common Equity	\$9,725	52.53%	5.85%	3.07%
13	Total Equity	\$9,725	52.53%		
14	Total Capital	\$18,514	100%		<b>5.23%</b>

**Xcel Energy**  
**Natural Gas Utility - State of North Dakota**  
**2025 Demand Side Management Activity Report**

**2025 Results**

<u>Program</u>	<u>Customers</u>	<u>Dkth Savings</u>	<u>Expenses</u>
Home Energy Audits	-	na	\$37,561
Furnace/Boiler Rebates	923	15,974	\$93,702
Water Heater Rebates	162	1,443	\$38,750
Efficiency Showerheads	65	146	\$9,190
Totals	<u>1,150</u>	<u>17,562</u>	<u>\$179,203</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	200	446	\$3,656
Totals	<u>1,010</u>	<u>12,272</u>	<u>\$138,260</u>

Notes: The North Dakota residential natural gas heating and water heating programs did well in 2025, with participation goals and dekatherm (Dkth) savings exceeding annual targets. There was lower participation in the showerhead program. Home Energy Audit participation continues to lag, and for the first time, there were no participants for the audit program. Except for the showerhead program, which is a targeted direct outreach effort, DSM programs were marketed primarily through Xcel Energy bill "inserts" 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)

<u>Line</u>	<u>Customers (@ Dec)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
1	Residential	55,972	55,090	54,261	53,385	52,247	50,934	49,993
2	Firm C & I	10,117	9,858	9,661	9,361	9,188	8,932	8,789
3	Interruptible C & I	60	66	67	79	84	85	89
4	Total Retail	66,149	65,014	63,989	62,825	61,519	59,951	58,871
5	Transportation	5	3	3	3	3	1	1
	<u>Mcf Sales</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
6	Residential	4,151	3,746	4,170	4,653	3,724	3,953	4,320
7	Firm C & I	6,851	6,402	6,742	7,219	5,994	6,191	6,244
8	Interruptible C & I	1,464	2,041	2,018	1,821	1,896	2,120	2,901
9	Total Retail	12,466	12,189	12,930	13,693	11,614	12,264	13,465
10	Transportation	1,673	1,572	1,459	1,648	1,586	1,128	987
	<u>Retail Revenues</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<i>Distribution Services</i>							
11	Residential	\$18,049	\$17,690	14,596	13,515	12,032	11,319	11,055
12	Firm C & I	\$17,104	\$15,270	13,327	12,624	10,545	9,976	9,951
13	Interruptible C & I	\$2,687	\$2,250	2,220	2,303	1,614	1,443	1,984
14	Total Distribution Svcs	\$37,841	\$35,210	30,143	28,442	24,191	22,738	22,990
	<i>Gas Cost Recovery</i>							
15	Residential	\$20,550	\$14,824	\$24,818	37,499	19,941	12,600	15,970
16	Firm C & I	\$34,249	\$24,030	\$38,858	59,599	31,057	19,692	22,917
17	Interruptible C & I	\$5,107	\$5,879	\$8,441	13,018	8,163	4,909	8,280
18	Total Gas Cost Recovery	\$59,906	\$44,732	72,117	110,117	59,161	37,200	47,167
19	Total Revenues	\$97,747	\$79,942	102,260	138,558	83,352	59,938	70,157
20	Ave. Retail \$/mcf	\$7.84	\$6.56	\$7.91	\$10.12	\$7.18	\$4.89	\$5.21
21	Ave. Res. Mo. Usage (ccf)	62	57	64	73	59	65	72
22	Ave. Res. Monthly Bill	\$57.47	\$49.18	\$60.53	\$79.63	\$51.00	\$39.13	\$45.05

# 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	14,148,574	32,055,543
2	Public Service of Colorado	Electric and Gas Utility	(270,262)	403,618
3	Southwestern Public Service	Electric Utility	(55,511)	111,075
4	Xcel Energy Services	Xcel Energy Inc. Service Company	229,371,255	103,179,589
5	Xcel Energy, Inc.	Engineering services	40,538,508	25,648,648
			283,732,565	161,398,473

### 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	\$ (688,648)	\$ 30,887,264	92.6324%	7.3676%	6.1346%	11.6910%
PSCo	\$ (4,405,531)	\$ 6,579,371	100.0000%	0.0000%	6.1346%	0.0000%
SPS	\$ (904,880)	\$ 1,810,629	100.0000%	0.0000%	6.1346%	0.0000%
XES	3,505,076,252	1,576,711,632	92.6324%	7.3676%	6.1346%	11.6910%
XEI	660,817,465	418,098,125	100.0000%	0.0000%	6.1346%	0.0000%
	<u>\$4,159,894,658</u>	<u>\$2,034,087,021</u>				

### Notes:

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

Common Allocation Method: Labor

	<u>Electric</u>	<u>Gas</u>		
Utliy Labor Allocator	92.6324%	7.3676%	Load Dispatch	12.1201%
ND Jur. Customer Allocator	6.1346%	11.6910%	Design Day	13.5755%

Factor Formula: ((Util Elec)\*ND Jur Ele)+((Util Gas)\*ND Jur Gas) = 6.5440%

#### 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	\$214,929,121	\$13,087,894	\$52,186,664	\$3,177,855	Demand	6.0894%
Variable	\$193,643,532	\$12,387,958	\$15,844,285	\$1,013,606	Energy	6.3973%
Transmission	\$73,628,118	\$4,483,511	\$164,255,561	\$10,002,178	Demand	6.0894%
Electric Total	\$482,200,770	\$29,959,362	\$232,286,510	\$14,193,639		

#### Gas SCADA Agreement

	<u>Total Rev</u>	<u>ND Alloc.</u>	<u>Alloc Method</u>	<u>ND Alloc %</u>
SCADA	618,202	74,927	Load Dispatch	12.1201%