



414 Nicollet Mall
Minneapolis, Minnesota 55401

November 6, 2018

–Via Electronic Filing–

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: PETITION FOR RECONSIDERATION
MANUFACTURED GAS PLANT CLEAN-UP COSTS DEFERRED ACCOUNTING
DOCKET NO. G002/M-17-894

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for Reconsideration of its decision, pursuant to a two-vote majority, in the above-captioned docket.

We have electronically filed this Petition with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact me at holly.r.hinman@xcelenergy.com or (612) 330-5941 if you have any questions regarding this filing.

Sincerely,

/s/

HOLLY HINMAN
REGULATORY MANAGER

Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF DEFERRED
ACCOUNTING FOR MANUFACTURED GAS
PLANT CLEANUP COSTS

Docket No. G002/M-17-894

**PETITION FOR
RECONSIDERATION**

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (the Company or Xcel Energy) submits this Petition for Reconsideration of the Minnesota Public Utility Commission's October 17, 2018, Order (the Order), pursuant to a two-vote majority, in the above-captioned docket.

The Order represents the first-ever decision by the Minnesota Public Utilities Commission (the Commission) denying prudent expenses to clean up a manufactured-gas plant (MGP) site. The expenses incurred by the Company in cleaning up polluted soil at the former MGP sites in Fargo and St. Cloud are no different than those incurred and approved for deferred accounting in prior dockets. Indeed, the types of expenses underlying our present petition are identical to those previously approved by the Commission, and the amounts at issue here are consistent with or greater than those previously approved by the Commission.

The Commission denied our Petition because, on an amortized basis, the expenses at issue represent 0.23% less than a prior year's MGP cleanup expenses in comparison to total the Company's O&M expenses. We believe this analysis is incorrect for two reasons. First, comparing the MGP cleanup expenses to the Company's total O&M expenses is both arbitrary and unreasonable. The significance of an unrecovered expense is reflected in the Company's net income, and using that as a lens, the expenses at issue amount to 15% of the Company's net income, which is plainly significant. Second, even if the comparison to O&M *were* the appropriate analysis, the MGP cleanup costs in this docket are greater on both an absolute and relative (as a

percentage of O&M) basis than prior amounts that have been approved for deferral by this Commission.

Moreover, based upon precedent from prior rate cases, we would expect that MGP cleanup expenses would be excluded from a test year in a future rate case because they are such extraordinary costs and are not representative of normal utility operations. As a result, the effect of denying deferred accounting in this docket is to convert a category of previously recoverable expenses into a category of prudent yet wholly unrecoverable expenses. We believe this is contrary to the fundamentals of utility ratemaking, as well as public policy.

For these reasons, and those discussed below, we respectfully request that the Commission reconsider its Order.

STANDARD

This Petition is made pursuant to Minn. Stat. § 216A.05 and Minn. R. 7829.3000.¹ Rule 7829.3000 provides that a “petition for rehearing, amendment, vacation, reconsideration, or reargument must set forth specifically the grounds relied upon or errors claimed.”² In general, the Commission takes up a petition for reconsideration when the petition: (1) raises new issues; (2) points to new and relevant evidence; (3) exposes errors or ambiguities in the prior decision; (4) persuades the Commission to reconsider; or (5) where the prior decision was inconsistent with the facts, the law, or the public interest.³

PETITION FOR RECONSIDERATION

We believe the Order warrants reconsideration because it marks a major departure from prior decisions regarding MGP cleanup costs, clear state policy objectives, and longstanding principles of utility ratemaking. Below, we address (1) the standards that apply to such requests; (2) the Commission’s precedent of approving MGP cleanup deferral requests; (3) the consistency of our request with both the standards and Commission precedent; and (4) the untenable consequence of denying our request for deferred accounting.

¹ Minn. R. 7829.3000, subp. 1 (allowing a party “aggrieved and directly affected by a commission decision or order [to] file a petition for rehearing . . . within 20 days of the date the decision or order.”).

² *Id.* at subp. 2.

³ See, e.g., *In the Matter of the Application of Minnkota Power Cooperative, Inc. for a Route Permit for the MPL-Laporte 115 KV Transmission Line Project in Clearwater and Hubbard Counties*, Docket No. ET-6/TL-16-327, Order Denying Reconsideration, at 1 (Aug. 11, 2017).

I. The Commission Has Uniformly Approved Deferral Requests for MGP Cleanup Costs.

Under Minnesota law, deferred accounting is permissible based on the Commission's authority to provide exceptions to a utility's system of accounts for "good cause shown."⁴ As noted in the Order, the Commission traditionally has permitted deferred accounting in two scenarios. First, deferred accounting is permitted "when utilities have incurred sizeable expenses to meet important public policy mandates." Second, deferred accounting has been authorized for "costs that are unusual, unforeseeable, and large enough to have significant impact on the utility's financial condition."

The Commission has never before rejected a petition requesting deferred accounting for planned MGP cleanup costs under these standards.⁵ In approving each prior petition, the Commission recognized that the unforeseeable nature of these expenses along with the obvious public benefits made deferred accounting appropriate for MGP cleanup. In each of these dockets, the Commission also found that the costs associated with MGP cleanup were unusual, unforeseeable, and significant. The Company's request in this docket is no different.

A. The MGP cleanup expenses are sizeable and will be incurred to meet important public policy mandates.

As initial matter, we believe the appropriate standard in this docket is whether the MGP cleanup costs are "sizeable expenses to meet important policy mandates." Under that standard, we believe our petition clearly merits approval.

The Commission's Order stated that the MGP cleanup expenses did not meet this standard because they were not incurred to meet important public policy mandates *from the Commission itself*. However, the policy-based standard does not require a Commission-specific policy. The Commission routinely looks to policy mandates

⁴ Minn. R. 7825.0300, subp. 4.

⁵ *In the Matter of a Request by N. States Power Co. Gas Util. for Approval of Deferred Accounting for Brainerd Manufactured Gas Plant Site Investigation and Cleanup Costs*, Docket No. G002/M-99-248, Approved with Modification (May 28, 1999) [hereinafter "Docket No. G002/M-99-248"]; *In the Matter of the Application of N. States Power Co. Gas Util. for Approval of Deferred Accounting for Certain Manufactured Gas Plant Site Cleanup Costs*, Docket No. G002/M-94-104, Order Granting Request for Deferred Accounting (Sept. 6, 1994) [hereinafter "Docket No. G002/M-94-104"]; *In the Matter of a Request by Minnegasco for Approval of Deferred Accounting for Manufactured Gas Plant Site Investigation, Monitoring, and Remediation Costs*, Docket No. G008/M-91-1015, Order Allowing Deferred Accounting Treatment and Requiring Information (Aug. 11, 1992); *In the Matter of a Request by Peoples Natural Gas Company for Approval of Accounting Procedures for Its Manufactured Gas Plant Site Investigation and Cleanup Costs*, Docket No. G011/M-90-1135, Order (Mar. 26, 1991).

established by state law or other agencies in rendering decisions,⁶ and this docket should be no different.

Minnesota public policy strongly favors deferred accounting for the MGP cleanup expenses. Indeed, the timely cleanup of contaminated sites is a matter of environmental stewardship, public safety, and human health. The Minnesota Legislature has endorsed regulatory methods that encourage collaborative efforts to remediate pollution. Minn. Stat. § 114C.01 provides:

It is the policy of the legislature that Minnesota should develop environmental regulatory methods that . . . encourage groups of facilities and communities to work together to reduce pollution to levels below what is required by applicable law.

The Minnesota Legislature additionally has stated, in Minn. Stat. § 115B.19—in connection with the establishment of a hazardous waste remediation fund—that the public policy of the state includes:

[E]ncourag[ing] treatment and disposal of hazardous waste in a manner that adequately protects the public health or welfare or the environment; [and] encourag[ing] responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances[.]

Approving the Company’s request for deferred accounting—as was uniformly done in similar past dockets—would encourage and facilitate the remediation of the Fargo and St. Cloud sites in accordance with these statutes, among other important state policies related to environmental protection and human health.

The use of deferred accounting treatment to encourage and facilitate remediation of MGP sites also is consistent with practice and policy in other states. Indeed, North Dakota has permitted deferred accounting for its portion of the Fargo site costs specifically at issue here.⁷

⁶ See, e.g., *In the Matter of Dairyland Power Cooperatives Integrated Res. Plan for 2011-2026*, ET-3/RP-11-918, Order Accepting Resource Plan and Establishing Filing Requirements (Oct. 24, 2012) (“One of Minnesota’s public policy goals is codified at Minn. Stat. § 216H.03.”); *Matter of City of White Bear Lake*, E-002/SA-88-179, Order After Remand (Apr. 12, 1990) (referencing “[o]ther factors indicative of public policy, such as the criteria listed in Minn. Stat. § 216B.42”).

⁷ *Northern States Power Company Deferred Accounting – Fargo MGP Project Application*, PU-15-514, Approved Motion (Dec. 16, 2015).

Similarly, in 2009, the Public Service Commission of Wisconsin issued General Guidelines for Accounting and Rate Treatment of Manufactured Gas Plant Site Cleanup Costs.⁸ It determined that actual, incurred, out-of-pocket expenditures associated with remediation of MGP sites may be deferred, including costs for investigating, testing, monitoring, remediation, land acquisition, and legal costs for pursuing insurance coverage and recovery from third parties. The Colorado Public Utilities Commission also has approved deferred accounting treatment for extraordinary expenditures incurred in connection with investigating, litigating responsibility for, and if necessary, remediating environmental contamination at former MGP sites.⁹

As to the amount of our expenses, we believe \$4.8 million is certainly “sizeable” in this (or any) context and therefore meets the most relevant standard for deferred accounting. As discussed below, we believe the amount of expenses underlying our Petition meets both the “sizeable” and “significance” thresholds governing such requests, as it amounts to approximately 15% of our net income and more than amounts previously approved for deferred accounting by the Commission. We discuss the amount of our requests in more detail below.

B. The MGP cleanup expenses are unusual, unforeseeable, will benefit ratepayers, and are prudent.

Even if the Commission concludes that the alternative standard (unusual, unforeseeable, and significant) for granting a deferral applies, we believe our request is entirely consistent with that standard and Commission precedent applying it. We discuss each factor below.

There was little dispute as to whether the MGP cleanup expenses at issue qualify as unusual, unforeseeable, and prudent, but we briefly touch on these issues before moving to the significance factor. First, MGP cleanup expenses are, by their very nature, unusual and unforeseeable. In the past twenty-five years, the Company has filed a total of two other petitions for deferred accounting of MGP cleanup expenses.¹⁰ Moreover, the uncertainty related to these specific sites—which were

⁸ Source: Public Service Commission of Wisconsin Memorandum Re: General Guidelines for Accounting and Rate Treatment of Manufactured Gas Plant Site Clean-Up Costs (February 19, 2009), included as Attachment A.

⁹ *In the Matter of the Application of Public Service Company of Colorado for Deferred Accounting Treatment for Certain Extraordinary Expenditures Related to Clean Up Measures of Manufactured Gas Plant*, Docket No. 11A-646G, Decision R11-1311 (December 2, 2011).

¹⁰ *In the Matter of a Request by N. States Power Co. Gas Util. for Approval of Deferred Accounting for Brainerd Manufactured Gas Plant Site Investigation and Cleanup Costs*, Docket No. G-002/M-99-248, Approved with Modification (May 28, 1999) [hereinafter “Docket No. G002/M-99-248”]; *In the Matter of the Application of N. States Power Co. Gas Util. for Approval of Deferred Accounting for Certain Manufactured Gas Plant Site Cleanup Costs*, Docket No. G002/M-94-104, Order Granting Request for Deferred Accounting (Sept. 6, 1994) [hereinafter “Docket No. G002/M-94-104”].

previously found by the EPA to require no further action—made these particular costs unforeseeable at the time of the Company’s last general rate case.

Second, the proposed cleanup projects have significant ratepayer benefits. Current customers will enjoy concrete and substantial public health, environmental and economic redevelopment benefits from the remediation. The Fargo site soils and groundwater are contaminated with coal tar chemical constituents including benzene, xylenes, and naphthalene. The St. Cloud site soil samples have elevated concentrations of chromium, diesel range organics, and cyanide. Remediating that contamination cannot be said to be insignificant in value.

Third, neither the Department of Commerce (Department) nor any other party has suggested these proposed costs are imprudent or unreasonable on their face.¹¹ In fact, the Commission in its 1994 Order approving a deferral for NSP acknowledged that “decisions regarding the cleanup are largely out of the control of the utility and in the hands of state and federal agencies.”¹² The Commission likewise noted that “NSP cannot be held accountable for acquiring or misusing these sites, because their acquisition and use predate the current environmental laws.”¹³ And even if there were a question as to the prudence of these costs, we are not requesting a final determination of prudence in this docket. The Commission will have an opportunity to fully examine the reasonableness or prudence of any deferred expenses in our next rate case.

C. The MGP cleanup expenses will have a significant impact on the Company’s financial condition.

The only disputed issue is whether the expenses proposed for deferred accounting are “significant.” The Company has requested to defer approximately \$4.8 million in costs in the current docket. This amount falls on the upper end of the range of MGP cleanup expenses previously approved by the Commission for deferred accounting, which runs from \$700,000 to \$5.37 million.¹⁴ However, the Commission rejected deferral of the cleanup expenses based on a comparison of the MGP cleanup expenses to the Company’s total 2016 O&M expenses, noting that the MGP cleanup expenses were 3.39% of 2016 O&M expenses whereas other MGP cleanup expenses in 1994 amounted to 4.51% of 1994 O&M expenses.

¹¹ Department Public Comments, at 14.

¹² Docket No. G002/M-94-104

¹³ *Id.*

¹⁴ *See* Docket No. G002/M-99-248, and Docket No. G002/M-94-104.

As an initial matter, the Commission's decision to compare the MGP cleanup expenses with the Company's 2016 O&M expenses appears to be based solely on the Department having done so in its Comments. In those Comments, the Department states that the Commission has, in the past, "compared the amounts" requested for deferred accounting "to total O&M expenses[.]" The Commission has not, however, previously made such a comparison in connection with MGP cleanup costs, nor are we aware of any such comparison in any Order concerning deferred accounting. The Department, moreover, did not cite any Order making such a comparison as the basis for its rationale. Instead, the Department claims the Company itself made the comparison in its Petition in Docket No. E002/M-11-1263. However, in that petition, we compared the amount requested for deferred accounting to the test year revenue deficiency in the previous electric rate case, the authorized revenue increase in the previous gas rate case, and the then-projected return on equity for both electric and gas. We did not compare it to total O&M expenses.

The question of whether a given incremental expense is significant to an entity should not be the relation of that expense to all other expenses, but rather the relation of that expense to the entity's net income *after* other expenses. Here, as noted in the Company's response to the Department's Information Request No. 15, which the Department attached to its Comments as Attachment 5, the requested deferral of \$4.8 million amounts to more than 15% of our 2016 net operating income. Through this lens, the Company's current request is plainly significant both in absolute numbers and by relevant percentage.

Even if it were appropriate to compare a requested deferral to total O&M expenses, the Order provides no rationale for why 4.51% was significant but 3.39% is not. A one percentage point difference between what the Commission views as significant and insignificant appears to be setting an arbitrary numeric threshold somewhere between 3.4% and 4.5%. The Order also provides no explanation for why the Company's current petition differs from the Commission's 1999 Order in Docket No. G002/M-99-248, in which the Commission approved a deferral of \$700,000 in MGP cleanup expenses,¹⁵ which amounted to just 0.67% of 1999 O&M expenses.¹⁶

The Order further notes that, on an amortized basis, the MGP cleanup expenses are only 0.67% of total O&M expenses. However, this ignores the fact that the vast majority of cleanup costs underlying the Company's request will be incurred in single year. Moreover, the MGP cleanup expenses deferred in 1994 were are nearly the

¹⁵ Docket No. G002/M-99-248.

¹⁶ Source: Northern States Power Gas Jurisdictional Annual Report for the year ended December 31, 1999, included as Attachment B. As with the Department's calculations for 1994 and 2016 in connection with its Comments, this compares the 1999 deferred expense with the 1999 total O&M expense, net of gas costs.

same on an amortized basis, amounting to only 0.90% of total O&M expenses. If that percent was sufficient to be significant in 1994 (much less 1999), there is no reason the MGP cleanup expenses here are not also significant, particularly given their absolute amount.

Simply put, the MGP remediation projects and costs at issue in this docket are significant to the Company and consistent with—or greater than—prior MGP remediation approval requests that have been uniformly approved by this Commission. Approval of this deferral request would maintain the longstanding precedent that MGP remediation projects should receive deferred accounting and be assessed for recovery in future rate proceedings.

II. Denying Deferred Accounting Of MGP Cleanup Expenses Creates A Category Of Unrecoverable Expense.

In addition to departing from longstanding Commission precedent, the Commission's Order also creates a category of expenses that—while reasonable and prudent—is unlikely to be recovered in any context. As noted above, the MGP cleanup expenses are undisputedly “unusual,” and Commission practice is to exclude such “unusual” or “extraordinary” expenses from general rate case test years because they are not representative of normal utility costs that can form the basis of a test year.

In 2010, for example, in response to the objections of the Department, Minnesota Power agreed to remove a one-time income tax expense related to the passage of the Affordable Care Act from its general rate case. Minnesota Power and the Department “agreed that the matter [was] best addressed outside [of that] rate case, in a separate miscellaneous docket, where the amount, recovery, amortization period, and other matters affecting treatment of the PPACA tax [could] be addressed.”¹⁷ Similarly, here, it is unlikely the Department or Commission would agree to include projected MGP cleanup expenses in a test year, particularly given that this is the first instance of the Company incurring such expenses in nearly two decades and given the consistent Commission precedent of finding these expenses to be unusual and extraordinary under the deferral standard.

As noted above, there has been no contention that the MGP cleanup expenses are imprudent or unreasonable. Nor has either the Department or the Commission

¹⁷ *In the Matter of the Application by Minn. Power for Auth. to Increase Rates for Elec. Serv. in Minnesota*, Docket No. E015/GR-09-1151, Findings of Fact, Conclusions of Law and Recommendations, at 32 (Aug. 17, 2010). See also *Nw. Bell Tel. Co. v. State*, 253 N.W.2d 815, 822 (Minn. 1977) (“The test-year concept is designed to produce a measure of a regulated utility’s earnings for a known period of time, to enable the regulatory body to make an accurate prediction of revenues and expenses in the reasonably near future.”).

stated that the MGP sites were not used and useful at the time when they were in service. Indeed, the Commission has concluded in prior dockets such prudent and reasonable MGP cleanup expenses should be recoverable.¹⁸

By denying deferred accounting treatment for the MGP cleanup expenses in this docket, the Commission has denied recovery for a category of expenses that have always before been deemed prudent and recoverable. In doing so, the Commission's Order marks a substantial departure from prior precedent, as well as public policy. The ratepayer benefits, the expense and unforeseeable nature of these projects, and the general policies underlying MGP cleanup highlight the prudent and reasonable nature of these costs. And all of these reasons support the Company's request for deferred accounting in this docket.

CONCLUSION

We believe this Order warrants the deliberation of the Commission because it marks a major departure from prior decisions, clear policy objectives in Minnesota law, and traditional ratemaking principles. For these reasons, we respectfully request the Commission reconsider its October 17, 2018, Order.

Dated: November 6, 2018

Northern States Power Company

¹⁸ See, e.g., Docket No. G011/GR-95-406.

PUBLIC SERVICE COMMISSION OF WISCONSIN

Memorandum

February 19, 2009

TO: The Files

FROM: Accounting Team
Gas and Energy Division

RE: General Guidelines for Accounting and Rate Treatment of
Manufactured Gas Plant Site Clean-Up Costs¹

From the early 1800s through the mid-1900s, manufactured gas plant (MGP) facilities were operated nationwide to produce gas from coal or oil for consumer lighting, heating, and cooking. The gas manufacturing process yielded various by-products and residues, some of which remained as contaminants at the former MGP sites. For the most part, these sites are currently owned by, or have been determined to be the responsibility of, gas and electric utilities throughout the United States. The most recent estimated liability of Wisconsin gas utilities for remediation of its MGP sites totals over \$250 million.²

The Commission's current policy for rate recovery of MGP remediation activities was established in Wisconsin Power and Light Company's (WP&L) docket 6680-UR-108.³ As the magnitude of WP&L's estimated liability for the clean-up of its MGP sites became apparent, issues related to the rate recovery of these costs needed to be addressed by the Commission. The ultimate issue was whether or not prudently incurred MGP clean-up costs should be recovered by a utility, in full or part, from its current ratepayers. The Commission determined that neither a utility's ratepayers nor its shareholders should bear the entire burden of MGP site remediation. Sharing of prudently incurred MGP clean-up costs, net of insurance settlements and other third party recoveries, was to be achieved through deferred accounting with the recovery of the net costs over a five-year period and the exclusion from rate recovery of the carrying costs on the unamortized deferral balances.⁴ Deferred accounting for MGP site remediation costs is the mechanism the Commission used to shift some of the MGP costs to utility shareholders. The disallowance of carrying costs acts as an incentive for the utilities to reasonably and vigorously pursue potentially responsible parties and insurance carriers.⁵ Furthermore, deferred accounting

¹ These guidelines have been updated periodically as reflected in Commission staff memos dated December 14, 1993, April 11, 1996, February 4, 1999, and July 31, 2003.

² As reported in the 2007 PSC Annual Report, Notes to the Financial Statements, for the major Wis. gas utilities.

³ Prior to the September 30, 1993 order in this case, WP&L was allowed full rate recovery of MGP clean-up costs in 6680-UR-107 and Wisconsin Fuel and Light Company was granted rate relief through an MGP surcharge, which was subject to refund, and terminated in 6640-UR-105, order dated October 29, 1993.

⁴ In making this decision, the Commission considered that even though the MGP facilities had been removed from service for over 40 years, and as such, MGP clean-up costs were not related to the provision of utility service to its current customers, current regulations required responsible parties to investigate and clean-up the contaminated MGP sites. On the other hand, the Commission recognized that any increase in the value of the MGP site, arising after its clean-up, would accrue entirely to the benefit of the utility's shareholders if the land was later sold.

⁵ To the extent that additional MGP recoveries offset the deferred MGP expenditures deferrals are minimized through such actions, the carrying cost on the deferred balances, borne by utility shareholders, would also be minimized.

allows the Commission to review whether the deferred costs meet its guidelines before any amortization expense is recovered from ratepayers.

In Wisconsin Gas Company's docket 6650-GR-112 order dated November 28, 1994, the Commission determined that the amortization of incremental deferred MGP clean-up costs should begin at the start of what would have been the utility's next scheduled rate proceeding.⁶ In the same docket, by letter order dated November 6, 1997, the Commission decided that if the receipt of insurance recoveries for MGP clean-up liability greatly exceeded the utility's unamortized deferred MGP expenditures and the majority of the MGP remediation costs would be incurred in the near future, it was reasonable for the utility to defer the insurance recoveries and incremental MGP clean-up costs without starting the amortization of those deferrals. The Commission recognized that by not starting the amortization of the incremental MGP deferrals, there would be a benefit accruing to the utility, which should be deferred until the utility's next scheduled rate case.⁷

In Wisconsin Electric Power Company's docket 6630-UR-109, order dated February 17, 1997; the Commission affirmed Commission staff's accounting guidelines for MGP site clean-up costs, as updated in an April 11, 1996 memo. In particular, the Commission found that: 1) the deferral of actual MGP clean-up costs will allow review of the costs before inclusion in rates while a multiple year amortization allows for the shifting of a portion of the cost burden to the utility's shareholders,⁸ and 2) the amortization of incremental deferred MGP clean-up costs should begin at the start of the utility's next scheduled biennial rate proceeding.⁹

In Wisconsin Public Service Corporation's docket 6690-UR-111, order dated January 15, 1999, the Commission reiterated its policy that if MGP insurance recoveries greatly exceed incurred MGP clean-up costs, the amortization of the incremental MGP deferrals did not have to begin with the start of the biennial test period if significant MGP site remediation costs were expected to be incurred in the near future. The utility was allowed to continue the deferral of the MGP clean-up costs and insurance recoveries without amortization until the time that the deferred MGP costs surpassed the deferred recoveries. However, in this case, the Commission determined that the benefit resulting when a utility continues to defer MGP recoveries without amortization should be considered in the test year revenue requirement rather than deferring the benefit to a future rate case.¹⁰

⁶ In a May 5, 1993 letter order, the Commission adopted a biennial rate case process for the major energy utilities. The order contained a schedule with filing and test periods, which was to be effective on or after January 1, 1994.

⁷ The benefit was identified as the utility's after tax, cost of capital on the accumulated amortizations that would have been recorded if the amortization of the incremental MGP deferrals had commenced at the start of the next scheduled biennial test year.

⁸ The utility proposed to recover MGP clean-up costs on an estimated basis. The Commission rejected this proposal indicating that it was inconsistent with previous Commission decisions and has the effect of reducing the shareholders' portion of MGP cost sharing.

⁹ The utility contended that starting the amortization with its next scheduled test year would saddle its shareholders with a significant portion of the MGP costs since the utility had included a 4-year rate freeze in its application to merge with Northern States Power Co. The Commission found that when a utility proposes a rate reduction or rate freeze, the proposal should consider the potential effects on recovering any of its deferred costs.

¹⁰ The utility's revenue requirement was decreased by computing a "pro-forma" or "as if" four year amortization of the net incremental MGP deferrals in the test year working capital forecasts. In this way, the ratepayers received the time value of money related to the recovery dollars that would have been returned to ratepayers if the previously

In WP&L's docket 6680-UR-114 order dated July 19, 2005, the Commission reiterated its policy that the amortization of incremental deferred MGP clean-up costs should begin at the start of a utility's next scheduled biennial test year without the need of Commission staff's review prior to such amortization. Further, the Commission clarified that although a utility has an amortization expense related to MGP deferrals, the rate recovery of this amortization expense shall only occur after Commission review in a rate proceeding.

A summary of the just discussed ratemaking policies as well as the accounting issues that have been identified during the Commission's review of the Wisconsin utilities' requested recovery of the remediation costs for its MGP sites follows:

1. Costs associated with the remediation of MGP sites may be deferred. Costs eligible for deferral must be actual, incurred, "out-of-pocket" expenditures.¹¹
2. The cost of pursuing settlements from insurance carriers and recoveries from other third parties for the liability related to the clean-up of contaminated MGP sites (i.e., billings from outside attorneys, consultants, etc.) may be deferred.
3. The utility's internal costs related to MGP site remediation activity and pursuing insurance settlements and recoveries from third parties (labor and associated overheads, vehicle expenses, training, meetings, conferences, etc.) shall be expensed as incurred rather than deferring the costs for potential future recovery in rates.¹²
4. Settlements received from insurance carriers and recoveries from other third parties for the remediation liability of the contaminated MGP sites shall be deferred.
5. Deferred MGP expenditures, insurance settlements, and other recoveries are to be accumulated on a vintage basis so that an amortization of these MGP deferrals from a calendar year can commence without delay; thereby allowing timely rate recognition and reduced carrying costs for the utility.
6. Tax effects associated with the MGP deferrals shall be normalized.
7. The amortization of deferred MGP expenditures shall start no later than the beginning of the utility's next biennial test year period in which actual costs can be included the test year amortization.¹³ Commission review is not needed in order to begin the amortization;

established amortization policy was followed, and the shareholders receive the overall cash flow benefit of receiving insurance recoveries before MGP expenditures occur.

¹¹ Applicable costs are those incurred as a result of, but not limited to, investigating, testing, monitoring, remediation, acquiring land, and legal costs directly related to site remediation and disposal sites.

¹² This eliminates the possibility of these costs being recovered in rates twice (i.e., initially included in revenue requirement as a budgeted test year expense and, then deferred as a MGP related cost, later to be recovered as an amortization expense in a future rate proceeding.)

¹³ For example, with a biennial test year period beginning 1/1/09, all of the 2008 costs would not be available for review in that scheduled rate case. Therefore, the 2008 and 2009 deferred MGP expenditures would start amortization with the biennial test year beginning 1/1/11.

- however, review in the context of a rate proceeding is necessary in order for the utility to recover the amortization expense in rates.
8. The amortization of deferred insurance settlements and recoveries from other third parties shall not begin until reviewed by the Commission in order to determine the appropriate rate treatment.¹⁴
 9. An amortization period of four to six years is appropriate but materiality should be taken into consideration.
 10. If significant insurance settlements and recoveries from third parties have been received by a utility, at the time that substantial clean-up of its MGP sites has not occurred but considerable site remediation is expected to occur in the near future; a utility may continue to defer the incremental MGP deferrals without commencing amortization pending review in a rate proceeding.
 11. After remediation of a MGP site has been completed, the utility may need to collect and analyze groundwater samples, continue treatment of the groundwater, and prepare reports for an indefinite period of time. These post-clean-up costs, or ongoing maintenance expenditures, shall be expensed as incurred.
 12. The amortization of deferred MGP site clean-up costs, insurance settlements, and other recoveries from third parties as well as the ongoing MGP site maintenance expenses shall be recorded in Account 735, Miscellaneous Production Expenses.
 13. The utility's test year revenue requirement shall exclude the net effect on working capital associated with the unamortized MGP deferrals so that the associated carrying costs are not recovered in rates. However, if the Commission has allowed the utility to defer insurance settlements and recoveries from third parties without commencing amortization per Item 10, the test year revenue requirement should reflect the computation of a "pro-forma" amortization of the net incremental MGP deferrals in the test year working capital.
 14. Utilities not subject to the Commission's biennial rate case process should file a cost summary report at the time of the utility's next rate case or when a MGP site clean-up project has been completed, whichever comes first.

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¹⁴ The amortization of deferred recoveries from third parties has a number of issues that are different from the amortization of the MGP cost deferrals. First, it would be inappropriate to begin amortization with no recovery in rates if the recoveries are attributable to MGP clean-up costs that were previously recovered in rates or will occur in the future with potential recovery in rates. Second, the utility has control over whether or not it files for a rate change and thereby affecting its ability to reflect the amortization of its MGP deferrals in rates.

GAS JURISDICTIONAL ANNUAL REPORT

Gas 002

Northern States Power Company – Electric
Jeffrey C. Robinson, Manager, MN Rev. Req.
414 Nicollet Mall
Minneapolis, MN 55401

TO THE

**State of Minnesota
Department of Commerce**

Suite 200
121 7th Place East
St. Paul, Minnesota 55101-2145

FOR THE YEAR ENDED DECEMBER 31, 1999



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Annual Report

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Insert the symbol "N/A" in column (c) opposite each schedule omitted under the provisions of General Instructions.

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GENERAL INSTRUCTIONS

1. Please make necessary corrections to the cover of this report.
2. Please type all entries.
3. Return this form flat, not rolled or folded, no later than May 1 of the year following the calendar year covered in the report.
4. Please call the Department (296-0391) if you have any questions.
5. Please complete each page of this report for your utility's Minnesota operations, unless directed to do otherwise.
6. Please do not change the page numbers, title headings, or other reference items in this report.
7. Please read the instructions at the top of each page and complete the forms as instructed.
8. Please fully answer each inquiry in this form. Use "none" or NA only when these entries truly and fully state the facts. Schedules may be omitted only when not applicable to company operations.
9. Round all dollar entries to the nearest whole dollar (adjusted to accord wider footings).
10. In making references to information in other documents, please attach copies of relevant pages to this report. A reference to a page in another report is not an adequate substitute for a requested item.
11. Use extra pages wherever necessary.
12. Retain one copy of this form for your records and return the Department Copy to the address provided on the cover.

Gas 002

Northern States Power Company - Gas
 Jeffrey C. Robinson, Mgr., MN Rev. Req.
 414 Nicollet Mall
 Minneapolis, MN 55401

**NARUC DATA WORKSHEET
 COMPOSITE STATISTICS FOR ALL
 PRIVATELY OWNED GAS UTILITIES**
 (Under Agency Jurisdiction)
 As of December 31, 1999

Plant (Intrastate Only) (000 Omitted)

Plant in Service	608,944
Construction Work In Progress	5,924
Plant Acquisition Adjustment	0
Plant Held For Future Use	0
Materials and Supplies	(1) 24,523
Less:	
Depreciation and Amortization Reserves	232,399
Contributions in Aid of Construction	0
NET BOOK COSTS	406,992

Revenues and Expenses (Intrastate Only) (000 Omitted)

Operating Revenues	330,157
Depreciation and Amortization Expenses	21,246
Income Taxes	6,100
Other Taxes	20,398
Other Operating Expenses	261,657
Total Operating Expenses	309,401
Net Operating Income	20,756
Other Income	246
Other Deductions	0
NET INCOME	21,002

Customers (Intrastate Only)

Year-End Average:	
Residential	326,516
Commercial	28,397
Industrial	568
Others	48
Total Number of Customers	355,529

Other Statistics (Intrastate Only)

Average Annual Residential Use - (MCF)	98
Average Residential Cost Per Mcf (\$)	\$5.88
Average Residential Monthly Bill	\$47.98
Gross Plant Investment per Customer	\$1,865

(1) Materials and Supplies includes Fuel Inventory

IDENTITY OF RESPONDENT

In the space provided below, please provide the following information.

1. Exact name of respondent. Use the words "The" and "Company" or "Co." only when they are part of the corporate name.
2. Address and phone number of respondent.
3. Date of incorporation.
4. Laws affecting organization. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other possession began. If a partnership, give date of formation, and names of present partners. Give *specific* reference to applicable laws of the State or Territory under which organized, citing chapter and section of each statute and all amendments thereof. Include all grants of corporate powers by the United States or any foreign country; also, all amendments to charter.
5. Consolidated or merged companies. Indicate the name of each company consolidated, merged, or otherwise combined with the respondent during the year, associating therewith *specific* reference (citing chapter and section) to special or general laws, including all amendments, under which each consolidation, merger, or other combination was affected; and, when applicable, the name of the governmental body authorizing the combination and specific reference to the instrument of authorization. In each case, give the date that the combination was affected. Also, give *specific* reference (citing chapter and section) to provisions of the charter or the laws, including all amendments, governing the organization (or reorganization) of each constituent or merged company. Cases in which corporations have become inactive and have been practically absorbed through ownership or control of their entire capital stock, through leases of long duration (under which the lessor companies do not maintain independent organizations for financial purposes), or otherwise, so that no distinction is made in operating or in accounting by reason of the original separate incorporation, should be included in a separate list and fully explained.
6. Former identity. If, because of reorganization during the year or for any other reason the respondent conducted any part of its business under a name or names other than that shown under item 1 above, give the name or names under which such business was conducted. Also state the circumstances occasioning the reorganization.

-
1. Northern States Power Company (Minnesota)
 2. 414 Nicollet Mall, Minneapolis, MN 55401
Contact Person: Jeffrey C. Robinson Phone: (612) 330-5912
 3. Date of Incorporation: June 17, 1909
 4. Northern States Power Company (Minnesota) was incorporated in the State of Minnesota as Washington Light and Power Company under Chapter 302A, a domestic corporation.
 5. N/A
 6. N/A

CONTROL OVER RESPONDENT

1. If direct control over the respondent was held by a corporation, individual, association or other person at the end of the year, state: **N/A**

(a) The form of control (sole or joint):

(b) The name and address of the directly controlling organization or person:
(Give names and address of all organizations or persons involved if control was joint.)

(c) The means by which control was held:
(For example, through ownership of voting securities; through common directors, officers or stockholders; through voting trusts; etc.).

(d) The extent of control:

2. If the directly controlling organization or person named in query 1(b), above, was in turn controlled by another organization or person, the respondent shall show hereunder the chain of control to the ultimately controlling organization or person and the extent of control over each directly controlled organization or person in the chain.

N/A

3. If any controlling organization or person named in response to query 1(b), above held control as trustee, give, if known, the name and address of the beneficiary (or beneficiaries) for whom the trust is maintained, and the purpose of the trust.

N/A

ORGANIZATION CHART

1. For gas companies with operations that are part of a holding company's operations, provide a complete organization chart of all of the holding company's regulated and non-regulated operations.

Insert additional pages if necessary.

Respondents: Northern States Power Company (Minnesota)

Corporations Controlled:

Northern States Power Company (Wisconsin)

- Chippewa and Flambeau Improvement Company
- Clearwater Investments, Inc.
- NSP Lands, Inc.

United Power and Land Company

Reddy Kilowatt Corporation

First Midwest Auto Park, Inc.

Natrogas, Inc.

- North America Energy, Inc.

- Western Gas Utilities, Inc.

Northern Power Corp.

NSP Financing I

NSP Energy Marketing, Inc.

NSP Nuclear Corp.

- Nuclear Management Co., LLC

- Private Fuel Storage LLC

Energy Masters International, Inc.

- 46 STATE Joint Venture LLC

- Energy Solutions International, Inc.

- Energy Masters Corporation

Viking Gas Transmission Company

- Guardian Pipeline, LLC

Eloigne Company

- Safe Haven Homes LLC

Seren Innovations, Inc.

Ultra Power Technologies, Inc.

- Northern Power Wisconsin Corp.

NRG Energy, Inc.

- Cobee Holdings, Inc.

- Elk River Resource Recovery, Inc.

- Graystone Corporation

- Northeast Generation Holding LLC

- NEO Corporation

- NRG Affiliate Services, Inc.

- NRG Asia-Pacific Ltd.

- NRG Cabrillo I Inc.

- NRG Cabrillo II Inc.

- NRG Cadillac Inc.

- NRG Central U.S. LLC

- NRG Connecticut Affiliate Services, Inc.

- NRG del Coronado Inc.

- NRG Eastern LLC

- NRG El Segundo Inc.

- NRG Energy Center Inc.

- NRG Energy Jackson Valley I, Inc.

- NRG Energy Jackson Valley II, Inc.

- NRG International Services Co.

- NRG International Development, Inc.

- NRG International, Inc.

- NRG Lakefield, Inc.

- NRG Latin America, Inc.

- NRG Long Beach Inc.

- NRG Mextrans, Inc.

- NRG Northeast Affiliate Services, Inc.

- NRG Operating Services, Inc.

- NRG PacGen Inc.

- NRG Parlin Inc.

- NRG Pittsburgh Thermal Inc.

- NRG Power Marketing Inc.

- NRG San Diego Inc.

- NRG San Francisco Thermal, Inc.

- NRG Services Corporation

- NRG Sunnyside Operations GP Inc.

- NRG Sunnyside Operations LP Inc.

- NRG Thermal Corp.

- NRG West Coast, Inc.

- NRG Western Affiliate Services, Inc.

- O'Brien Cogeneration, Inc. II

- Okeechobee Power I, Inc.

- Okeechobee Power II, Inc.

- Okeechobee Power III, Inc.

- Power Operations, Inc.

- San Joaquin Valley Energy I, Inc.

- San Joaquin Valley Energy IV, Inc.

- Scoria Incorporated

- South Central Generation Holding LLC

- Somerset Generation I, Inc.

- Somerset Generation II, Inc.

- Sunnyside Holdings I, Inc.

BOARD OF DIRECTORS

Give the name of each person who was a member of the board of directors at any time during the year (1999), indicating with an asterisk (*) in column (a) those directors who were members of the Executive Committee (NSP Corporate Management Committee), if any, and by a double asterisk (**) the chairman, if any, of that committee, at the end of the year. Column (e) and (f) relate to Board meetings only.

Line No.	Ref. to Exec. Comm (a)	Name of Director and Address (City and State) (b)	Served Continuously From (c)	Term Expired or Current Term Will Expire (d)	Number of Board Meetings Attended During Year (e)	Board & Committee Fees Paid During Year (f)
1	**	W. John Driscoll, St. Paul, MN	November, 1974	April, 2002	12	\$24,000
2		Allan L. Schuman, St. Paul, MN	January, 1999	April, 2000	12	\$20,400
3	*	James J. Howard, Minneapolis, MN	January, 1987	April, 2002	12	-----
4		Richard M. Kovacevich, Minneapolis, MN	April, 1990	April, 1999	5	\$ 9,000
5	*	Douglas W. Leatherdale, St. Paul, MN	April, 1991	April, 2000	12	\$24,000
6		A. Patricia Sampson, Plymouth, MN	January, 1985	April, 2000	12	\$22,800
7		H. Lyman Bretting, Ashland, WI	March, 1990	April, 2001; resigned Dec, 1999	12	\$21,600
8	*	David A. Christensen, Sioux Falls, SD	December, 1976	April, 2001	12	\$24,000
9	*	Margaret R. Preska, Woodbury, MN	January, 1980	April, 2001	12	\$24,000
10		Giannantonio Ferrari, Minneapolis, MN	October, 1997	April, 2000	12	\$20,400

- 11 Name of Chairman of the Board James J. Howard
- 12 Name of Secretary of Board John P. Moore, Jr.
- 13 Number of meetings of Board during the year 12
- 14 Number of directors provided for by charter or by-laws, as amended to the end of the year minimum of 7
- 15 Number of directors required to constitute a quorum Majority
- 16 State briefly the powers and duties of Executive Committee (if any): The Corporate Management Committee has responsibilities for Board organization, director selection and compensation, senior management organization, performance and compensation, corporate structure, mergers and acquisitions, Human Resource policies, corporate ethics and long-range planning and strategy.

PRINCIPAL GENERAL OFFICERS

- 1 The persons to be listed herein are the chairman of the board (if he/she is an officer as well as a director), president, vice-presidents, secretary, treasurer, general counsel, and comptroller. Respondents that do not have officers bearing the aforesaid titles shall list those officers who have the responsibilities normally associated with such titles.
2. Customary abbreviations may be used in showing titles and departments in columns (a) and (b).

Line No.	Title of General Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name of Person Holding the Office at End of the Year (c)	Office Address (City and State) (d)
1	Chairman of the Board, President, and Chief Executive Officer	NSP (MN & SUBS)	James J. Howard	Minneapolis, Minnesota
2	President	NSP Electric	Loren L. Taylor	Minneapolis, Minnesota
3	President	NSP Gas	Cynthia L. Leshner	St. Paul, Minnesota
4	President	NSP Nuclear Generation	Michael D. Wadley	Minneapolis, Minnesota
5	Vice President and Treasurer	Finance	Paul E. Pender	Minneapolis, Minnesota
6	Vice President and General Counsel	Legal	Gary R. Johnson	Minneapolis, Minnesota
7	Vice President and Corporate Secretary	Legal	John P. Moore Jr.	Minneapolis, Minnesota
8	Vice President	Human Resources	Grady P. Butts	Minneapolis, Minnesota
9	Vice President and Chief Financial Officer	Financial Operations	Edward J. McIntyre	Minneapolis, Minnesota
10	Vice President and Controller	Accounting	Roger D. Sandeen	Minneapolis, Minnesota
11	Vice President and Chief Information Officer	Information Technology	Paul E. Anders Jr.	Minneapolis, Minnesota
12	Vice President	Regulatory Services	David M. Sparby	Minneapolis, Minnesota

VOTING POWERS AND ELECTIONS

1. Has each share of stock the right to one vote? **No**

2. Are voting rights attached only to stock? **Yes**
(If the answer to either query 1 or 2 is "No," give full particulars in a note.)

3. Is cumulative voting permitted? **Yes**

4. The date and place of the latest general meeting for the election of directors was April 28, 1999, at 1301 2nd Ave. South, Minneapolis, MN.

5. The voting power of all stockholders of the respondent on December 31, 1999, the date of the latest compilation was 157,359,861 votes.

6. The total number of shares voted at the meeting on the date shown in the answer to query 4 was 127,064,416 shares.

7. The number of shares voted by proxies at the meeting on the date shown in answer to query 4 was 127,062,708 shares.

8. If any security has preferences, special privileges, or restrictions in the election of directors, trustees, or managers, or in the determination of any corporate action, give details.

- (1) Cumulative Preferred Stock of the \$3.60 series (275,000 shares outstanding) are entitled to three votes per share.

Common Stock and Other Cumulative Preferred Stock (155,759,861 and 775,000 shares outstanding, respectively) are entitled to one vote per share.

STOCKHOLDERS

1. This information shall be compiled as at December 31, except that if similar information has been compiled for some other purpose between the beginning of the year for which the report is made and the date of preparation of this report, the latest compilation shall be used.

2. Stockholders of each class of stock shall be listed in the order of their holdings, beginning with the highest and continuing until the 25 largest holdings have been listed. If any such holder was a trustee or nominee for other persons who held the beneficial interest in the securities, the name and address of each person who has the beneficial interest shall be shown in a note, if known. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown in a note if known.

Line No.	Class of Stock	Name & Address (City and State) of Stockholder	Shares Held
1	Common	Cede & Company, New York, NY	101,012,981
2	Common	NSP-Agent (Dividend Reinvestment), Minneapolis, MN	11,915,535
3	Common	U.S. Bank National Association Trustee of NSP-ESOP, St. Paul, MN	11,255,678
4	Common	Herman Wolf Separate Property Trust, Carefree, AZ	100,000
5	Common	James J. Howard, Minneapolis, MN	97,176
6	Common	NSP Cust Executive Long-Term Incentive Plan, 1998/1999 Awards Vesting in 2000/2001, Minneapolis, MN	79,792
7	Common	Harry H. Hetz, Kenilworth, IL	50,007
8	Common	Alice M. Clark Trust DTD, Fort Pierce, FL	44,000
9	Common	Donald O. Smith, Mission Hills, KS	43,414
10	Common	Harley Medin Trste Natrogas Inc Profit Sharing Plan & Trust, Minneapolis, MN	40,706
11	Common	Dorothy H. Moriarty Trust DTD, Park Ridge, IL	33,836
12	Common	Raymond A. Freeberg, Mankato, MN	31,438
13	Common	Thomas R. Zelinsky Trust DTD, Battle Creek, MI	30,440
14	Common	Thomas C. Cochran, Jr., Pittsburgh, PA	28,874
15	Common	Harold Mountain, Mankato, MN	27,810
16	Common	Trstes U/W of Samuel Mills Damon DCD, Honolulu, HI	26,000
17	Common	Jerome C. Finken, Minneapolis, MN	24,000
18	Common	FMI Co., Lincoln, NE	24,000
19	Common	Eva Constantine, Albuquerque, NM	23,122
20	Common	Constance Scherr, Sagle, ID	23,103
21	Common	Jerry T. Mackove Trustee Doris I. Mackove Trust, Newton, WI	22,400
22	Common	Paul F. Steketee, Grand Rapids, MI	22,000
23	Common	Lenora J. Delaney, St. Paul, MN	21,269
24	Common	James Allen, St. Paul, MN	21,056
25	Common	William M. Job & Gloria D. Job Jt Ten, Minneapolis, MN	20,485

Total holders of above class of stock 81,569
 Date of above compilation 1/19/00

STOCKHOLDERS

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2. Stockholders of each class of stock shall be listed in the order of their holdings, beginning with the highest and continuing until the 25 largest holdings have been listed. If any such holder was a trustee or nominee for other persons who held the beneficial interest in the securities, the name and address of each person who has the beneficial interest shall be shown in a note, if known. Likewise, if any person had the beneficial interest in securities held by trustees or nominees under different trusts or other groupings, and the aggregate of such person's holdings would place him among the listed holders if he were the holder of record, the details of such holdings shall be shown in a note if known.

Line No.	Class of Stock	Name & Address (City and State) of Stockholder	Shares Held
1	Preferred	Cede & Company, New York, NY	877,324
2	Preferred	Glenn W. Kask, Shakopee, MN	4,310
3	Preferred	Edville Bankcorp Inc., Villa Park, IL	2,010
4	Preferred	George P. Putnam, Trste of George P. Putnam Trust, Boynton Beach, FL	2,000
5	Preferred	Edward W. Verbarg, Minneapolis, MN	2,000
6	Preferred	Jerry T. Mackove Trustee Doris I. Mackove Trust, Newton, WI	1,840
7	Preferred	Howard W. Anderson & Fern B. Anderson Jt Ten, Cokato, MN	1,800
8	Preferred	Donald L. Johnson, Bloomington, MN	1,650
9	Preferred	Mary Ellen Green, Pattonsburg, MO	1,600
10	Preferred	American Life & Accident Insurance Co. of Kentucky Inc., Louisville, KY	1,400
11	Preferred	Leland S. Sorenson & Lorraine J. Sorenson Jt Ten, Minnetonka, MN	1,400
12	Preferred	John L. Tufts & Joyce M. Tufts Jt Ten, Circle Pines, MN	1,400
13	Preferred	Thrush-Thompson Foundation Inc., Peru, IN	1,275
14	Preferred	Donald D. Fish, Lakewood, CA	1,270
15	Preferred	Gainesville Milling Co., Gainesville, GA	1,200
16	Preferred	Chauncey L. Lopez & Donald P. Lopez Jt Ten, Western Springs, IL	1,200
17	Preferred	Richard R. Schoenmann, Mazomanie, WI	1,100
18	Preferred	Lorraine E. Cohen, Minnetonka, MN	1,040
19	Preferred	Charles D. Dudley Trustee u/w of Walter H. Knapp, Chesterfield, VA	1,010
20	Preferred	Miller Corrugated Box, Warwick, RI	1,000
21	Preferred	Robert H. Moon, Coxsackie, NY	1,000
22	Preferred	Roy F. Motteler TOD Madeline J. Tucker, Port Richey, FL	1,000
23	Preferred	Olin O'Daniels & Mabel E. O'Daniels Jt Ten, Hastings, MN	1,000
24	Preferred	Judith L. Sheu, Eau Claire, WI	1,000
25	Preferred	Evelyn F. Van Tassel, Lake Forest, IL	1,000

Total holders of above class of stock 1,185
 Date of above compilation 1/19/00

IMPORTANT CHANGES DURING THE YEAR

1. On August 16, 1999, a merger agreement was signed between Northern States Power Company (NSP) and Natrogas, Incorporated (Natrogas), the parent company of Western Gas Utilities, Inc. (Western). Western serves 5,000 natural gas customers located in six communities in west-central Minnesota. On September 1, 1999, Natrogas, Western and NSP filed a request at the Minnesota Public Utilities Commission (Commission) for authorization to merge in Docket No. G-002/PA-99-1268. NSP proposed to acquire all of Natrogas' stock by issuing shares of NSP common stock in exchange. NSP would merge Western into NSP's gas operations, but continue North American Energy, Inc.'s non-utility propane operation as a separate subsidiary. The merger was approved by the Commission on January 10, 2000. The transaction was completed in February, 2000.
2. None.
3. Several tariff and service alternatives which were approved by the Commission as part of NSP Gas' 1997 rate case filing, Docket No. G-002/GR-97-1606, became effective on March 3, 1999. In general, the new tariffs offer customers other than residential customers (commercial and industrial firm customers; interruptible customers and transportation customers - firm and interruptible), a wider range of qualifying pricing options and operating flexibility.

Total retail gas sendout in Minnesota increased by approximately 10 percent primarily the result of slightly more favorable weather in 1999 compared with 1998, and sales growth. The total cost of retail gas purchased and distributed in Minnesota decreased by approximately \$ 0.5 million, due to lower prices offset by sales growth. The effect of supply price changes (increases or decreases) in 1999 translate to customer's bills through the purchased gas adjustment (PGA) and annual trueup mechanisms.

4. None.
5. None.
6. As necessary, Administrative Service Agreements between NSP and its non-jurisdictional or non-regulated affiliates are filed with the Commission.

Regulated/Nonregulated Annual Reporting

TRANSACTIONS WITH AFFILIATES

<u>Regulated Affiliate</u>	<u>Transaction Description</u>	<u>Total Costs</u>	<u>Total Revenues</u>
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Nonregulated Affiliate

UTILITY APPORTIONMENT BETWEEN REGULATED AND
 NONREGULATED ACTIVITIES

Apportioned From (To)
the Nonregulated Activity

<u>Nonregulated Activity</u>	<u>Total Costs</u>	<u>Total Revenues</u>
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REGULATED/NONREGULATED ANNUAL REPORTING (1)

**Northern States Power Company (Mn)
 For Year Ended 12/31/99**

TRANSACTIONS WITH AFFILIATES

<u>Regulated Affiliates</u>	<u>Total Costs (2)</u>	<u>Total Revenues (3)</u>
Viking Gas		
Corporate Residual Allocation	143,044	-
Direct Cross Charges (4)	1,714,416	2,180,045
Overhead Costs	62,127	-
Working Capital Fee	17,762	-
Total Viking Gas	1,937,349	2,180,045
Black Mountain Gas		
Corporate Residual Allocation	20,437	
Direct Cross Charges (4)	92,292	
Overhead Costs	-	
Working Capital Fee	9,992	
Total Black Mountain Gas	122,721	
Total Regulated Affiliates	2,060,070	2,180,045
<u>Nonregulated Affiliates</u>		
Energy Masters International		
Corporate Residual Allocation	257,773	-
Direct Cross Charges (4)	933,067	1,485,798
Overhead Costs	126,711	-
Working Capital Fee	7,514	-
Total EMI	1,325,065	1,485,798
Eloigne		
Corporate Residual Allocation	49,159	-
Direct Cross Charges (4)	100,207	-
Overhead Costs	10,559	-
Working Capital Fee	2,638	-
Total Eloigne	162,563	-
First Midwest Auto Park		
Corporate Residual Allocation	9,703	
Direct Cross Charges (4)	723,782	317,060
Overhead Costs	7,155	-
Working Capital Fee	6,747	-
Total First Midwest Auto Park	747,387	317,060
NRG		
Corporate Residual Allocation	1,088,120	-
Direct Cross Charges (4)	8,898,171	(2,329,779)
Overhead Costs	779,751	-
Working Capital Fee	114,551	-
Total NRG	10,880,593	(2,329,779)
Reddy Kilowatt		
Corporate Residual Allocation	6,187	
Direct Cross Charges (4)	4,181,438	125,000
Overhead Costs	15,913	
Working Capital Fee	18,181	
Total Reddy Kilowatt	4,221,719	125,000
Seren Innovations		
Corporate Residual Allocation	9,054	-
Direct Cross Charges (4)	424,860	-
Overhead Costs	105,185	-
Working Capital Fee	1,858	-
Total Seren Inovations	540,957	-

REGULATED/NONREGULATED ANNUAL REPORTING (1)

**Northern States Power Company (Mn)
 For Year Ended 12/31/99**

TRANSACTIONS WITH AFFILIATES

Ultra Power Technologies

Corporate Residual Allocation	9,264	
Direct Cross Charges (4)	377,898	616,000
Overhead Costs	14,934	-
Working Capital Fee	3,958	-
Total Ultra Power Technologies	406,054	616,000

United Power & Land

Management Fee	73,274	-
Corporate Residual Allocation	19,158	-
Direct Cross Charges (4)	1,129,176	3,606,508
Overhead Costs	34,881	-
Working Capital Fee	2,486	-
Total United Power & Land	1,258,975	3,606,508

Total Nonregulated Affiliates

\$ 19,543,313	\$ 3,820,586
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Nonregulated Activity

Advantage Service

Corporate Residual Allocation	8,633	-
Direct Cross Charges (4)	121,530	-
Overhead Costs	12,937	-
Total Advantage Service	143,100	-

Customer Owned Street Lighting Maint.

Corporate Residual Allocation	1,476	-
Direct Cross Charges (4)	405,260	-
Overhead Costs	22,465	-
Total Customer Owned Street Lighting Maint.	429,201	-

Natural Gas Services

Corporate Residual Allocation	15,219	-
Direct Cross Charges (4)	221,020	-
Overhead Costs	26,220	-
Total Natural Gas Services	262,459	-

Sherco Steam to LPI

Corporate Residual Allocation	7,473	-
Direct Cross Charges (4)	771,342	-
Overhead Costs	16,832	-
Total Sherco Steam to LPI	795,647	-

Total Nonregulated Activity

\$ 21,173,720	\$ 3,820,586
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NOTES:

- (1) As directed by G,E999/CI-90-1008,9/28/94.
- (2) "Total Costs" are split into categories as defined by NSP in its response to G,E999/CI-90-1008,9/28/94,.
- (3) "Total Revenues" represents revenues to the affiliate/nonregulated activity paid by NSP Minnesota Company for a service provided by the affiliate/nonregulated activity for the benefit of NSP Minnesota Company.
- (4) "Direct Cross Charges" represents dollars directly charged to the affiliate/nonregulated activity which may not have originated as an allocation and are based on a service that provides a direct and measurable benefit to the affiliate/nonregulated activity.
- (5) The revenue paid by NSP (MN) to NSP's affiliate NRG is the net of fuel and miscellaneous service expenses paid to NRG of \$1,377,660 and incentives paid by NRG Resource Recovery to NSP (MN) for burning RDF at NSP (MN)'s Red Wing and Wilmarth generating plants, \$3,707,439.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of an Investigation into the
Competitive Impact of Appliance Sales and
Service Practices of Minnesota Gas and
Electric Utilities

Docket No. G,E-999/CI-90-1008
Order Setting Filing Requirement

Introduction

Pursuant to the Commission's order setting filing requirements, NSP hereby responds to the Commission's ordering paragraph (3):

"Within 60 days of the date of this order, each utility party to this proceeding shall submit a filing explaining: 1) whether its method of allocation is a fully allocated costing approach; 2) whether it complies with the recommended cost allocation principles; and 3) if it does not comply with the recommended cost allocation principles, whether its methods would accomplish similar results. "

NSP has multiple non-regulated services and subsidiaries. We follow the same cost allocation process for both of these types of activities. The cost allocation approach is a fully allocated costing method as approved by the Commission in our last electric and gas rate cases (E002/GR-92-1185 and G002/GR-92-1186).

The Commission's stated hierarchical cost allocation principles are:

1. Tariffed rates shall be used to value tariffed services provided to the nonregulated activity.
2. Costs shall be directly assigned to either regulated or nonregulated activities whenever possible.
3. Costs which cannot be directly assigned are common costs which shall be grouped into homogeneous cost categories. Each cost category shall be allocated based on direct analysis of the origin of the costs whenever possible. If direct analysis is not possible, common costs shall be allocated based upon an indirect cost-causative linkage to another cost category or group of cost categories for which direct assignment or allocation is available.

4. Whenever neither direct nor indirect measures of cost causation can be found, the cost category shall be allocated based upon a general allocator computed by using the ratio of all expenses directly assigned or attributed to regulated and nonregulated activities.

NSP follows this basic approach. Our process accomplishes the proper separation of costs between NSP's regulated utility business and nonregulated operations. Each activity that can be considered outside of NSP's core electric and gas business is reviewed for regulated/nonregulated treatment. If the activity is identified as nonregulated operations, the nonregulated cost allocation process is followed.

There are limited situations where an activity that would be in the public interest and could not be pursued if a fully allocated costing approach was followed. In such circumstances, NSP has and will continue to file any deviation from a fully allocated costing process on a project specific basis. Any existing exceptions have been filed and approved by the Commission.

NSP Nonregulated Cost Allocation Process

NSP's approach includes the following six steps of analysis: business profile, direct charging, cost causation allocation, corporate residual allocation, overhead allocations, and the working capital fee.

Business Profile

The allocation process begins by developing a business profile, which is created at budget time for each nonregulated business, that identifies the services they anticipate NSP's utility business will be providing.

Direct Charges (Addresses Principle #2)

Budgeted cross charges between NSP service providers and nonregulated businesses are reviewed and compared with the business profile. Any process, project or service performed for the direct benefit of a nonregulated business is directly charged to the business. The department providing service sends the nonregulated business a description of the service and how the dollar amounts were developed. Once the service level has been agreed upon, the agreement is signed and returned, and the cross charge is budgeted.

Actual charges for labor are assigned to the nonregulated business by either setting up a fixed labor distribution, or through exception time reporting. The non-labor charges are directly charged. This process enables charging for all service that is provided, including what may not have been anticipated at budget time.

Cost Causation Allocations (Addresses Principle #2)

If no direct charge has been established for a service expected to be provided, a cost causation allocation is developed. Direct charging is preferred, however, if a service is expected to be provided and was not budgeted as a direct charge, an estimate of the cost of the service is made and allocated to the nonregulated business, in addition to the corporate residual allocation. An example of this would be, when a service is being provided, but it is at such a minimal level that it would be very difficult or cost prohibitive to charge on a direct basis.

Overhead Costs (Addresses Principle #3)

The overhead allocation factor captures indirect costs associated with providing services to nonregulated businesses. NSP develops separate rates for labor and non-labor costs. The labor overhead rate is developed based on employee related expenses (such as employee programs, employee relations, training, employment, compensation and benefits program development costs, diversity, safety, etc.), office equipment needs, general office facility costs, and supervision of the service provider. The non-labor overhead rate is developed based on procurement and material-related costs. The costs that are included in the overhead calculation are not a part of corporate residual costs. The overhead factor is applied to all direct charges, cost causation allocations, and corporate residual allocations. Therefore, if these dollars were included in the residual allocation, they would be double counted.

Corporate Residual Allocation (Addresses Principle #4)

Once direct costs have been charged to nonregulated entities, the remaining NSP administrative and general costs are analyzed at the task level to identify all allocable joint and common corporate costs. A general allocator is developed using net investment, revenues (net of cost of goods), and employee levels. In developing this allocator, a ratio of each of the three individual factors to NSP is calculated. The allocator is applied to the joint and common corporate costs and charged to the nonregulated businesses.

Working Capital Fee (Addresses Principle #3)

A working capital fee is applied to the inter-company bill for non-Minnesota Company businesses. The fee is based on the current Prime Rate and is reviewed and updated quarterly. This fee is to compensate the regulated business for the cost of working capital used by the nonregulated businesses.

Summary

NSP's process has been reviewed in a number of dockets including our most recent general rate cases and complies with the common objective stated in the instant docket.

Gas 002

Northern States Power Company - Gas
 Jeffrey C. Robinson, Mgr., MN Rev. Req.
 414 Nicollet Mall
 Minneapolis, MN 55401

For Year Ended 12/31/99

CORRECTED

(Dollars in Thousands)

NUMBER OF EMPLOYEES

	Current Year	Previous Year
Total Regular Employees	<u>N/A</u>	<u>N/A</u>
Total Part-time & Temporary Employees	<u>N/A</u>	<u>N/A</u>

Assessable Operating Revenues

Total Minnesota Jurisdictional Retail Sales to Ultimate Consumers (see Statement of Income, Page 33a)	\$ <u>317,807</u>
Less:	
Gross Earning Tax (if it is included in the Total Sales reported above)	\$ <u>5,004</u>
 Total Minnesota Jurisdictional Assessable Operating Revenue	 \$ <u>312,803</u>

Assessable revenues, as adjusted, to remove revenues recorded for Western Gas Utilities, Inc. as part of NSP. This page now reflects the Minnesota Jurisdictional assessable revenues for NSP prior to the merger with Western Gas. Please refer to the final Western Gas Utilities, Inc. Gas Jurisdictional Annual Report for 1999, p-12, for Western's total assessable revenues (\$3,486) to include with NSP for assessment. The combined NSP and Western Gas total Minnesota jurisdictional assessable operating revenue should be \$316,289.

GAS PLANT IN SERVICE
(Minnesota Jurisdiction)

Northern States Power Company (MN)
Company
FOR YEAR ENDED 12/31/99

In addition to Account 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified and Account 106, Completed Construction Not Classified-Gas.)

1. Report the original cost of gas plant in service according to the accounts prescribed on the following page.
2. Corrections of additions, and retirements for the current or the preceding year should be included in column (b) or (c) as appropriate, not in column (d).
3. Credit adjustments to plant accounts should be enclosed in parentheses to indicate the negative effect of such amounts.
4. Reclassification or transfers within utility plant accounts should be shown in column (e). Include also in column (e) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, Gas Plant Purchased or Sold. In showing the clearance of Account 102, include in column (d) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (e) only the offset to the debits or credits distributed in column (e) to primary account classifications.
5. Show accounts 307-318 if jurisdictional amounts are other than zero.

NOTE

Completed Construction Not Classified, Account 106, shall be classified in this schedule into prescribed accounts on an estimated basis if necessary, and the entries included in column (b). Also to be included in column (b) are entries for reversals of tentative distributions of the prior year reported in column (b).

Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, a tentative distribution of such retirements, on an estimated basis with appropriate contra entry to the account for accumulated depreciation provision, shall be included in column (c). Included also in column (c) reversals of tentative distributions of prior year of unclassified retirements.

Attach a page showing the account distributions of these tentative classifications in columns (b) and (c) including the reversals of the prior year tentative account distributions of these amounts. Careful observance of the above instructions and the text of accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at the end of year.

GAS PLANT IN SERVICE
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS (d)	TRANSFERS (e)	E.O.Y. BALANCE (f)
	INTANGIBLE PLANT						
301	Organization						
302	Franchises and consents						
303	Misc. intangible plant*						
	Total intangible plant						
	PRODUCTION PLANT						
	Mfd. gas production plant:						
304	Land and land rights						
305	Structures & Improvements						
306	Boiler plant equipment						
307	Other power equipment						
308	Coke ovens						
309	Producer gas equipment						
310	Water gas generating equip.						
311	Liquefied petro. gas equip.						
312	Oil gas generating equip.						
313	Generating equip. - Other processes						
314	Coal, coke, and ash handling equip.						
315	Catalytic cracking equip.						
316	Other reforming equip.						
317	Purification equip.						
318	Residual refining equip.						
319	Gas mixing equip.						
320	Other equip.						
325-47	Natural Gas Production Plant Total production plant	(1) 12,601					(1) 12,838

(Continued on next page)

* State the nature of plant included in this account and if substantial in amount submit a supplementary schedule showing subaccount classification of such plant conforming to the requirements of this schedule.

(1) See note on p-16A.

GAS PLANT IN SERVICE
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

(Dollars in Thousands)

For Year Ended 12/31/99

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS (d)	TRANSFERS (e)	E.O.Y. BALANCE (f)
	NATURAL GAS STORAGE						
350-363	Underground Storage Plant						
364	Liquefied natural Gas Plant						
	Total natural gas storage	(1) 24,989					(1) 25,244
	TRANSMISSION PLANT						
365.1	Land and land rights						
365.2	Rights-of-way						
366	Structures and Improvements						
367	Mains						
368	Compressor station equip.						
369	Measuring and regulating station equip.						
370	Communication equip.						
371	Other equip.						
	Total Transmission	(1) 21,920					(1) 22,071
	DISTRIBUTION PLANT						
374	Land and land rights						
375	Structures & Improvements						
376	Mains						
377	Compressor station equip.						
378	Meas. & reg. sta. equip.-gen.						
379	Meas. & reg. sta. equip. + CG.						
380	Services						

(Continued on next page)

(1) See note on p-16A.

GAS PLANT IN SERVICE
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS (d)	TRANSFERS (e)	E.O.Y. BALANCE (f)
	DISTRIBUTION PLANT						
381	Meters						
382	Meter installations						
383	House regulators						
384	House reg. install.						
385	Indus. meas. & reg. equip.						
386	Other prop. on cust. prem.						
387	Other equip.						
	Total distribution	(1) 466,948					(1) 491,131
	GENERAL PLANT						
389	Land and land rights						
390	Structures & Improvements						
391	Office. furn. & equip.						
392	Trans. equip.						
393	Store equip.						
394	Tools, shop., & gar. equip.						
395	Laboratory equip.						
396	Power operated equip.						
397	Communications equip.						
398	Miscellaneous equip.						
399	Other tangible property*						
	Total general plant	(1) 14,342					(1) 12,829
	Total gas plant in service	(1) (2) 540,800					(1) 564,113

* State the nature and use of plant included in this account and if substantial in amount submit a supplementary schedule showing subaccount classification of such plant conforming to the requirements of this schedule.

(1) See note on p-16A.

(2) Total Gas Plant in Service does not include Common Utility Plant or Tax Benefit Transfers. See note on p-16A.

Report of Northern States Power Company (Minnesota)
For Year Ended 12/31/99
Dollars in Thousands

- (1) The Gas Plant in Service total does not include Common Utility Plant or Tax Benefit Transfers allocated to gas in the amount of:

Beginning of Year	\$ 40,818
End of Year	\$ 44,834

NOTE

Gas Plant in Service

Detail is available on a total Company basis only. Because NSP is a multi-utility, multi-jurisdiction Company, beginning of year (BOY) and end of year (EOY) balances are the result of allocations and direct assignments to the Minnesota jurisdiction through the cost of service study (COSS). The COSS does not have the capability to develop the Minnesota jurisdiction detail requested. Detail provided in this section and throughout the report is comparable to that which would be submitted for support during a rate case.

ANALYSIS OF RESERVES
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	CREDITS		DEBITS		TRANSFERS & ADJUSTMENTS (f)	E.O.Y. BALANCE (g)
			ACCRUALS	GR. SALV.	RETIREMENT	REMOVAL		
			(b)	(c)	(d)	(e)		(g)
	INTANGIBLE PLANT							
301	Organization							
302	Franchises and consents							
303	Misc. intangible plant							
	Total intangible plant							
	PRODUCTION PLANT							
	Mfd. gas production plant:							
305	Structures & Improvements							
306	Boiler plant equipment							
307	Other power equipment							
308	Coke ovens							
309	Producer gas equipment							
310	Water gas generating equip.							
311	Liquefied petro. gas equip.							
312	Oil gas generating equip.							
313	Generating equip. - Other processes							
314	Coal, coke, and ash handling equip.							
315	Catalytic cracking equip.							
316	Other reforming equip.							
317	Purification equip.							
318	Residual refining equip.							
319	Gas mixing equip.							
320	Other equip.							
325-47	Natural Gas Production Plant							
	Total production plant	(1) 7,754						(1) 8,174

(Continued on next page)

(1) See note on p-19A.

ANALYSIS OF RESERVES
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	CREDITS		DEBITS		TRANSFERS & ADJUSTMENTS (f)	E.O.Y. BALANCE (g)
			ACCRUALS (b)	GR. SALV. (c)	RETIREMENT (d)	REMOVAL (e)		
	NATURAL GAS STORAGE							
350-363	Underground Storage Plant							
364	Liquefied Natural Gas Plant							
	Total natural gas storage	(1) 15,144						(1) 16,109
	TRANSMISSION PLANT							
365.1	Land and land rights							
365.2	Rights-of-way							
366	Structures and Improvements							
367	Mains							
368	Compressor station equip.							
369	Measuring and regulating station equip.							
370	Communication equip.							
371	Other equip.							
	Total Transmission	(1) 11,853						(1) 12,440
	DISTRIBUTION PLANT							
374	Land and land rights							
375	Structures & Improvements							
376	Mains							
377	Compressor station equip.							
378	Meas. & reg. sta. equip. -gen.							
379	Meas. & reg. sta. equip. +CG.							
380	Services							

(Continued on next page)

(1) See note on p-19A.

ANALYSIS OF RESERVES
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	CREDITS		DEBITS		TRANSFERS & ADJUSTMENTS (f)	E.O.Y. BALANCE (g)
			ACCRUALS (b)	GR. SALV. (c)	RETIREMENT (d)	REMOVAL (e)		
	DISTRIBUTION PLANT							
381	Meters							
382	Meter installations							
383	House regulators							
384	House reg. install.							
385	Indus. meas. & reg. equip.							
386	Other prop. on cust. prem.							
387	Other equip.							
	Total distribution	(1) 161,746						(1) 171,811
	GENERAL PLANT							
389	Land and land rights							
390	Structures & Improvements							
391	Office. furn. & equip.							
392	Trans. equip.							
393	Store equip.							
394	Tools, shop., & gar. equip.							
395	Laboratory equip.							
396	Power operated equip.							
397	Communications equip.							
398	Miscellaneous equip.							
399	Other tangible property							
	Total general plant	(1) 7,741						(1) 4,927
	Total gas plant in service (1)	(2) 204,238						(1) 213,461

(1) See note on p-19A.

(2) Total Reserve excludes Common Utility Reserves. See note on p-19A.

Report of Northern States Power Company (Minnesota)
For Year Ended 12/31/99
Dollars in Thousands

- (1) The Depreciation Reserve total does not include Common Utility allocated to gas in the amount of:

Beginning of Year	\$16,853
End of Year	\$18,935

NOTE

Analysis of Depreciation Reserve

Detail is available on a total Company basis only. Because NSP is a multi-utility, multi-jurisdiction Company, beginning of year(BOY) and end of year (EOY) balances are the result of allocations and direct assignments to the Minnesota jurisdiction through the cost of service study (COSS). The COSS does not have the capability to develop the Minnesota jurisdiction detail requested. Detail provided in this section and throughout the report is comparable to that which would be submitted for support during a rate case.

SUMMARY OF ACCRUALS
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	GROSS PLANT (a)	S/L STRAIGHT LINE METHOD		NET BALANCE (e)	SERVICE LIFE (f)	ANNUAL ACCRUAL (g)	S/L % (h)
			ESTIMATED NET SALVAGE % (b)	DEPRECIATION AMOUNT (c)				
	INTANGIBLE PLANT							
301	Organization							
302	Franchises and consents							
	INTANGIBLE PLANT							
303	Misc. intangible plant							
	Total intangible plant							
	PRODUCTION PLANT							
	Mfd. gas production plant:							
304	Land and land rights							
305	Structures and Improvements							
306	Boiler plant equipment							
307	Other power equipment							
308	Coke ovens							
309	Producer gas equip.							
310	Water gas generating equip.							
311	Liquefied petro. gas equip.							
312	Oil gas generating equip.							
313	Generating equip. - Other processes							
314	Coal, coke, and ash handling equip.							
315	Catalytic cracking equip.							
316	Other reforming equip.							
317	Purification equip.							
318	Residual refining equip.							
319	Gas mixing equip.							
320	Other equip.							
325-47	Natural Gas Production Plant							
	Total production plant	(1) 12,132			8,174	3,958	420	

Continued on next page

(1) EOY Gross Plant excludes Land.

SUMMARY OF ACCRUALS
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. No.	TITLE OF ACCOUNTS	GROSS PLANT (a)	S/L STRAIGHT LINE METHOD		NET BALANCE (e)	SERVICE LIFE (f)	ANNUAL ACCRUAL (g)	S/L % (h)
			ESTIMATED NET SALVAGE % (b)	AMOUNT (c)				
	NATURAL GAS STORAGE							
350-363	Underground Storage Plant							
364	Liquefied Natural Gas Plant							
	Total natural gas storage	25,244			16,109	9,135	965	
	TRANSMISSION PLANT							
365.1	Land and land rights							
365.2	Rights-of-way							
366	Structures & Improvements							
367	Mains							
368	Compressor station equip.							
369	Measuring and regulating station equip.							
370	Communication equip.							
371	Other equip.							
	Total Transmission	(1) 21,995			12,440	9,555	642	
	DISTRIBUTION PLANT							
374	Land and land rights							
375	Structures & Improvements							
376	Mains							
377	Compressor station equip.							
378	Meas. & reg. sta. equip.-gen.							
379	Meas. & reg. sta. equip. + CG.							
380	Services							

Continued on next page

(1) EOY Gross Plant excludes Land.

SUMMARY OF ACCRUALS
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

(Dollars in Thousands)

For Year Ended 12/31/99

ACCT. No.	TITLE OF ACCOUNTS	GROSS PLANT (a)	S/L STRAIGHT LINE METHOD ESTIMATED NET SALVAGE		DEPRECIATION RESERVE (d)	NET BALANCE (e)	SERVICE LIFE (f)	ANNUAL ACCRUAL (g)	S/L % (h)
			% (b)	AMOUNT (c)					
	DISTRIBUTION PLANT								
381	Meters								
382	Meter installations								
383	House regulators								
384	House reg. install.								
385	Indus. meas. & reg. equip.								
386	Other prop. on cust. prem.								
387	Other equip.								
	Total distribution	(1) 491,126			171,811	319,315		14,474	
	GENERAL PLANT								
389	Land and land rights								
390	Structures & Improvements								
391	Office. furn. & equip.								
392	Trans. equip.								
393	Store equip.								
394	Tools, shop., & gar. equip.								
395	Laboratory equip.								
396	Power operated equip.								
397	Communications equip.								
398	Miscellaneous equip.								
399	Other tangible property								
	Total general plant	(1) 12,669			4,927	7,742		1,029	
	Total gas plant in service	(1) (2) 563,166			213,461	349,705		17,530	

(1) EOY Gross Plant excludes Land.

(2) Common Utility Plant and Tax Benefit Transfers allocated to the Gas Utility are excluded in the amount of EOY Gross Plant 44,304 Depr Reserve 18,935 Net Balance 25,369 Annual Accrual 3,718

ANALYSIS OF SELECTED UTILITY PLANT ACCOUNTS
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. NO.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	DEBITS (b)	CREDITS (c)	E.O.Y. BALANCE (d)
101.1	Property under capital leases				
102	Gas plant purchased*				
102.1	Gas plant sold*				
103	Exper. gas plant. unclassif.				
104	Gas Plant Leased to Others				
105	Gas Plant Held for Future Use				
105.1	Prod. properties held for future use (Major only)				
106	Completed constr. not classif.- Gas (Major only)				
107	Constr. work in progress - Gas				
114	Gas plant acquisition adj.				
116	Other gas plant adjustments				
117	Gas stored underground -Noncurrent (Major only)				
118	Other utility plant				
	Total utility plant				
	DEFERRED DEBITS				
181	Unamortized debt expense (1) 131 Cash and 135 Working Funds (1) 143 Other Accounts Receivables				79 2,977
182.1	Extraordinary property losses				
182.2	Unrecovered plant and regulatory study costs				
183.1	Preliminary natural gas survey and investigation charges				

* For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Continued on next page

(1) Data reflects Jurisdictional Determinations based on analysis of the 1997 MN Gas Rate Case, Docket G002/GR-97-1606.

ANALYSIS OF SELECTED UTILITY PLANT ACCOUNTS
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

(Dollars in Thousands)

ACCT. NO.	TITLE OF ACCOUNTS	B.O.Y. BALANCE (a)	DEBITS (b)	CREDITS (c)	E.O.Y. BALANCE (d)
183.2	Other preliminary survey and investigation charges				
184	Clearing accounts (Major only)				
185	Temporary facilities (Major only)				
186	Misc. deferred debits*				
187	Deferred losses from disposition of utility plant				
188	Research, devel. and demonst. expend. (Major only)				
189	Unamort. loss on reacq. debt.				
191	Unrecovered purchased gas costs				
	DEFERRED CREDITS				
232/235	Acct. Payable/Customer Deposits (1)				(308)
252	Customer Advances for Construction (1)				(154)
253	Other Deferred Credits* (1)				0
256	Deferred Gains from Disposition of Utility Plant				
257	Unamortized Gain on Debt.				

- If substantial in amount, submit a supplementary schedule showing subaccount classification of such deferred debits and/or credits and the balances for each contained in columns (a) through (d).

(1) See page p-23.

**Report of Northern States Power Company (Minnesota)
For Year Ended 12/31/99**

Other Components of Net Investment Rate Base

The company does not maintain separate accounts by jurisdiction for other components of the investment rate base. Many accounts are common in nature between the electric and gas utility. Others pertain only to the gas utility. Allocated jurisdictional balances are shown for selective accounts which would likely comprise components of rate base for a general rate increase application.

ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 281,282,283
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

ACCOUNT SUBDIVISIONS	B.O.Y BALANCE (a)	CHANGES DURING YEAR			ADJUSTMENTS DURING YEAR				E.O.Y BALANCE (j)	
		AMT. DR ACCT 410.1 (b)	AMT. CR ACCT 411.1 (c)	AMT. DR ACCT 410.2 (d)	AMT. CR ACCT 411.2 (e)	ACC. NO (f)	AMOUNT (g)	ACC. NO. (h)		AMOUNT (i)
ACCOUNT 281:										
Defense Facilities										
Pollution Control										
OTHER (Specify)										
Total Account 281										
CLASSIF. OF TOTAL										
Fed. Inc. Tax										
State Inc. Tax										
Local Inc. Tax										
ACCOUNT 282:										
Other (Specify)										
Total Account 282										
CLASSIF. OF TOTAL										
Fed. Inc. Tax										
State Inc. Tax										
Local Inc. Tax										
ACCOUNT 283:										
OTHER (Specify)										
Total										
OTHER (specify)										
Total Account 283										
CLASSIF. OF TOTAL										
Fed. Inc. Tax										
State Inc. Tax										
Local Inc. Tax										

* See page p-30a for data that is available.
 ** See page p-30b for data that is available.

ANNUAL RECAP OF ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 282
(Minnesota Jurisdiction)

Northern States Power Company (MN)
Company
For Year Ended 12/31/99

1. Furnish additional sheets containing explanations where necessary.
2. Show on separate lines the values for each year from 1965 to year of report.
3. Explain the basis used to defer amounts for the last year (straight line tax rate to liberalized tax rate, etc.).
4. State whether accounting for liberalized depreciation has been directed or approved by any other state or commission -- column (d).
5. Show references where they will improve the report's clarity.

YEAR	YEARS TAX DEFERRAL (a)	TOTAL DR (ACCT. 282) CR (ACCT. 411.1) (b)	OTHER STATE APPROVALS (c)
1965			
1966			
1967			
1968			
1969			
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			
1978			
1979			
1980			
1981			
1982			

* See page p-30a for data that is available.
** See page p-30b for data that is available.

ANNUAL RECAP OF ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 282
(Minnesota Jurisdiction)

Northern States Power Company (MN)
Company
For Year Ended 12/31/99

YEAR	YEAR'S TAX DEFERRAL (a)	TOTAL DR (ACCT. 282) CR (ACCT. 411.1) (b)	OTHER STATE APPROVALS (c)
1983			
1984			
1985			
1986			
1987			
1988			
1989			
1990			
1991			
1992			
1993			
1994			
1995			
1996			
1997			
1998			
1999			

* See page p-30a for data that is available.

** See pages p-30b and p-30c for data that is available.

For Year Ended 12/31/99

Dollars in Thousands

<u>Accumulated Deferred Income Taxes</u> <u>Minnesota Jurisdiction</u>	<u>Beginning</u> <u>Balance</u>	<u>Ending</u> <u>Balance</u>
Production	677	663
Storage	2,007	1,822
Transmission	2,313	2,331
Distribution	33,951	35,765
General	2,577	2,989
Other (Common)	7,909	8,712
Other (Net) (1)	<u>(542)</u>	<u>(427)</u>
Total	48,892	51,855

Detail is available on a total Company basis only. Because NSP is a multi-utility, multi-jurisdiction Company, beginning of year (BOY) and end of year (EOY) balances are the result of allocations and direct assignments to the Minnesota jurisdiction through the cost of service study (COSS). The COSS does not have the capability to develop the Minnesota jurisdiction detail requested. Detail provided in this section and throughout the report is comparable to that which would be submitted for support during a rate case.

(1) Includes the following:

<u>Item</u>	<u>Beginning</u> <u>Balance</u>	<u>Ending</u> <u>Balance</u>
Accum. Def Tax - TBT's	2,578	2,224
Non-Plant Related	(3,287)	(3,029)
Income Tax Deferred Interest	(235)	(177)
Amortization for Y2K	282	467
Amortization for Rate Case Exp	<u>120</u>	<u>88</u>
Other (Net)	(542)	(427)

ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 281

The Company maintains its annual and accumulated deferred tax information for Defense Facilities, Pollution Control Equipment, and other 281 property at the following level of detail:

1. By type of equipment (i.e. Pollution Control, etc.)
2. By vintage of installation
3. All jurisdictions combined

An allocation process is used to develop the Minnesota Jurisdiction portion of this information for rate-making. The FERC Form 1 contains this data in a combined form for all jurisdictions.

Deferred tax additions to Account 281 are reversed using the composite book life from the appropriate property class. Additions to this deferred tax account are calculated by applying a composite state and federal tax rate to the tax deduction.

ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 282

The Company maintains its annual and accumulated deferred tax information for Account 282 at the following level of detail:

1. By tax guideline (i.e. Steam Production, Trans., Dist., etc.)
2. By vintage of installation
3. All jurisdictions combined

An allocation process is used to develop the Minnesota Jurisdiction portion of this information for rate-making. The FERC Form 1 contains this data in a combined form for all jurisdictions.

The Company over the years has made a variety of accelerated depreciation elections. Prior to 1962, facts and circumstances were used to determine the depreciation deduction using the straight-line method. In 1962, the Company elected Guideline procedures and two different accelerated methods; DCB for Transmission and Distribution property and SYD for other property under the Guideline System. The method is switched to straight-line when it is advantageous. In 1971 the Company elected to apply the accelerated depreciation procedures made available under the Asset Depreciation Range (ADR) System. For the 1971, 1976, and 1977 vintage additions, the Company elected the modified half-year provision under ADR and used the SYD method of depreciation. For the 1972, 1973, 1974, 1975, 1978, 1979, and 1980 vintage addition, the Company elected the standard half-year convention option

under the ADR system and calculated depreciation using the DCB method for two years and then switching to the SYD method over the remaining life of the vintage group. In 1982, the Company elected to apply the Accelerated Cost Recovery System as provided by the Economic Tax Recovery Act of 1981. The Tax Reform Act of 1986 required a modified Accelerated Cost Recovery System Depreciation for property constructed after 1986.

Due to the variety of accelerated methods used in the past, deferred balances are not defined for each method. However, a vintage deferred record is kept for each guideline class of property and is computer based on the difference between the accelerated depreciation and straight-line book recovery without jurisdictional separation.

Page E24 ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 283

The level of detail maintained for Account 283 is basically the same as that described for Account 281 and Account 282.

ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 190

The Company maintains its annual and accumulated deferred tax information for Account 190 at the following level of detail:

1. By deferred category
2. By vintage of occurrence
3. All jurisdictions combined (except decommissioning)

An allocation process is used to develop the Minnesota jurisdiction portion of this information for rate making. The FERC Form 1 contains this data in a combined form for all jurisdictions.

Deferred tax additions to Account 190 are reversed through tax deductions. Additions to this deferred tax account are calculated by applying a composite state and federal tax rate to the book expense.

INVESTMENT TAX CREDITS GENERATED AND UTILIZED - ACCOUNT 420
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

1. This schedule shall be prepared by the reporting utility regardless of the method of accounting adopted for the investment tax credits. By footnote state the method of accounting adopted, and whether the utility has consented or is required by another Commission, to pass the tax credits on to customers.
2. As indicated in Col. (a), the schedule shall show each year's activities from 1965 through the year covered by this report, and shall separately identify the data for the appropriate yearly investment credit rate for public utilities.
3. Report in Cols. (b & e) the amount of investment tax credits generated from properties acquired to use in utility operations and report in Cols. (c & f) the amount of such generated credits utilized in computing the annual income taxes. Also explain by footnote any adjustments to Cols. (b through f) such as for corrections, etc., or carryback of unused credits. Such adjustments should be carried back or forward to the applicable years.
4. Report in Col. (d) the weighted-average useful life of all properties used in computing the investment tax credits in Col. (b). Also, show in this column for the year 1971 and thereafter, the option exercised (1) rate base treatment, (2) ratable flow through, or (3) flow through, for rate purposes in accordance with section 46 (e) of the Internal Revenue Code.
5. Show by footnote any unused credits available at end of each year for carry forward as a reduction of taxes in subsequent years.

YEAR (a)	<u>GAS</u>		WGHTD AVG LIFE OF PROP (d)	<u>OTHER DEPTS OF OPERNS</u>	
	GENERATED (b)	UTILIZED (c)		GENERATED (e)	UTILIZED (f)
1965-1974	1,967,500	1,967,500			
1975	385,288	385,288			
1976	1,379,187	1,379,187	Option 2		
1977	1,064,688	1,064,688	Option 2		
1978	946,128	946,128	Option 2		
1979	1,214,898	1,214,898	Option 2		
1980	2,022,651	2,022,651	Option 2		
1981	2,089,079	2,089,079	Option 2		
1982	1,682,981	1,682,981	Option 2		
1983	888,099	888,099	Option 2		
1984	1,088,203	1,088,203	Option 2		
1985	1,502,996	1,502,996	Option 2		
1986	164,692	164,692	Option 2		
1987	(25,094)	(25,094)	Option 2		
1988	(1,862)	(1,862)	Option 2		
1989	0	0	Option 2		
1990	0	0			
1991	0	0			
1992	0	0			
1993	0	0			
1994	0	0			
1995	0	0			
1996	0	0			
1997	0	0			
1998	0	0			
1999	0	0			

1965-1974 is total gas utility. See note on page p-32b.

ACCUMULATED DEFERRED INVESTMENT TAX CREDIT - ACCOUNT 255
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

Report as specified below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility operations. Explain by footnote any correction adjustments to the account balance, shown in Column (g). Include in Column (i) the average period over which the tax credits are amortized.

ACCOUNT SUBDIVISIONS BY DEPARTMENT (a)	B.O.Y. BALANCE (b)	DEFERRED FOR YEAR		ALLOCATIONS TO		ADJUSTMENTS (g)	E.O.Y. BALANCE (h)	AVG PERIOD OF ALLOC. TO INCOME (i)
		ACCOUNT NO (c)	AMOUNT (d)	CURRENT YEAR'S INCOME ACCOUNT NO (e)	AMOUNT (f)			
1. 3%								
2. 4%								
3. 7%								
4. 10%								
5.								
6.								
7.								
8.								
9.								
10. TOTAL								

See page p-32a.

**Report of Northern States Power Company (Minnesota)
For Year Ended December 31, 1999**

ITC Deferred
(Minnesota Jurisdiction)
\$000's

	<u>Beginning Balance</u>	<u>Ending Balance</u>
Production	34	31
Storage	174	134
Transmission	437	419
Distribution	5,972	5,707
General	14	8
Other (Common)	<u>75</u>	<u>58</u>
Total	<u><u>6,706</u></u>	<u><u>6,357</u></u>

**Report of Northern States Power Company (Minnesota)
For Year Ended 12/31/99**

NOTE:

Investment Tax Credits

The Company has established its deferred investment tax credit records at the following level of detail:

1. By tax guideline (i.e., Production, Trans, Dist)
2. By rate of credit generated (4% or 10%)
3. By vintage of generation
4. All jurisdictions combined

The company has elected the ratable flow-through option to amortize the existing balance over the service life of the asset. The Company uses a composite service life of the accounts included in each tax guideline for this determination. For this reason, a number of composite lives exist for each year. An allocation process is used to develop all balance and expense information at the Minnesota Jurisdiction level.

STATEMENT OF INCOME FOR THE YEAR
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

Acct. No.	ACCOUNT NAME	(1) Current Year Normalized for Weather Where Appropriate	(2) Current Year Unnormalized Data	(3) Projected Year Data Normalized for Weather
UTILITY OPERATING INCOME				
400	Operating Revenues (Before taxes)(Page 33a)	(1) 340,210	(2) 330,157	(3) 379,706
	Operating Expenses:			
401	Operation			
402	Maintenance Expenses	261,657	261,657	295,050
403	Depreciation Expense	21,246	21,246	22,266
404-5	Amort. & Depl. of Utility Plant			
406	Amort. of Utility Plant Acq. Adj.			
407	Amort. of Commission Approved Deferrals (List Separately)			
407.1	Amort. of Property Losses Unrecovered Plant and Regulatory Study Costs			
407.2	Amort. of Conversion Expenses			
408.1	Taxes Other Than Income	20,398	20,398	22,927
409.1	Income Taxes - Federal	5,832	2,659	7,424
409.1	- Other	1,811	825	2,305
410.1	Provision for Deferred Income Taxes	2,965	2,965	1,619
411.1	(Less) Provision for Deferred Income Taxes -- Cr.			
411.4	Investment Tax Credit Adj. -- Net	(349)	(349)	(341)
411.6	(Less) Gains from Disp. of Utility Plant			
411.7	Losses from Disp. of Utility Plant			
	TOTAL Utility Operating Expenses	(4) 313,560	(4) 309,401	(4) 351,251
	Net Utility Operating Income	26,650	20,756	28,455

Provide notes to Statement of Income on separate pages.

(Continued on next page)

- (1) 5,004 Gross Earnings Tax
- (2) 5,004 Gross Earnings Tax
- (3) 6,179 Gross Earnings Tax
- (4) Includes the amortization of the Viking Gas acquisition premium.

STATEMENT OF INCOME FOR THE YEAR
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

Acct. No.	ACCOUNT NAME	(1) Current Year Normalized for Weather Where Appropriate	(2) Current Year Unnormalized Data	(3) Projected Year Data Normalized for Weather
OTHER INCOME AND DEDUCTIONS				
Other Income				
Nonutility Operating Income				
415	Revenues From Merchandising, Jobbing and Contract Work			
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			
417	Revenues From Nonutility Operations			
417.1	(Less) Expenses of Nonutility Operations			
418	Nonoperating Rental Income			
418.1	Equity in Earnings of Subsidiary Companies			
419	Interest and Dividend Income			
419.1	Allowance for Other Funds Used During Construction			
421	Miscellaneous Nonoperating Income			
421.1	Gain on Disposition of Property			
	TOTAL Other Income			
Other Income Deductions				
421.2	Loss on Disposition of Property			
425	Miscellaneous Amortization			
426.1 -				
426.5	Miscellaneous Income Deductions			
	TOTAL Other Income Deductions			
Taxes Applic. to Other Income and Deductions				
408.2	Taxes Other Than Income Taxes			
409.2	Income Taxes - Federal			

(Continued on next page)

STATEMENT OF INCOME FOR THE YEAR
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

(Dollars in Thousands)

Acct. No.	ACCOUNT NAME	(1) Current Year Normalized for Weather Where Appropriate	(2) Current Year Unnormalized Data	(3) Projected Year Data Normalized for Weather
	OTHER INCOME AND DEDUCTIONS			
409.2	Income Taxes – Other			
410.2	Provision for Deferred Income Taxes			
411.2	(Less) Provision for Deferred Income Taxes - Cr.			
411.5	Investment Tax Credit Adj. – Net			
420	(Less) Investment Tax Credits			
	TOTAL Taxes on Other Income and Deductions			
	Net Other Income and Deductions			
	INTEREST CHARGES			
427	Interest on Long-Term Debt	12,121	12,121	12,836
428	Amort. of Debt. Disc. and Expense			
428.1	Amortization of Loss on Reacquired Debt.			
429	(Less) Amort. of Premium on Debt-Credit			
429.1	(Less) Amort. of Gain on Reacquired Debt-Credit			
430	Interest on Debt to Assoc. Companies			
431	Other Interest Expense			
432	(Less) Allowance for Borrowed Funds Used During Construction - Cr.	(246)	(246)	(248)
	Net Interest Charges	11,875	11,875	12,588
	Income Before Extraordinary Items	14,775	8,881	15,867
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			
409.3	Income Taxes - Federal and Other			
	Extraordinary Items After Taxes			

OPERATION AND MAINTENANCE EXPENSES
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

(Dollars in Thousands)

ACCOUNT NUMBER	ACCOUNT NAME	OPERATION (a)	MAINTENANCE (b)	TOTAL (c)
700-798	Production			1,885
799-813	Natural Gas Supply			157,710
814-847	Natural Gas Storage			1,355
850-870	Transmission			49,036
871-895	Distribution			19,457
901-905	Customer Accounts			8,456
906-910	Customer Service & Information			8,644
911-917	Sales			1,104
920-935	Administration & Gen.			14,010
	Total Operations & Maintenance Expense			261,657
	Shared Services*			
	Conservation Improvement Plan (CIP) Expense** (1)			5,055

* Shared Services represents funds which compensate non-regulated organizations(s) within the overall corporate structure for services rendered to its regulated gas utility subsidiary. The value on this line is included on the Total Operations & Maintenance Expense Line. Describe on a separate sheet how the share of shared services is computed.

** The value on this line is included in one or more of the account categories above. Please indicate which category(ies) includes these CIP expenses.

(1) Included in Customer Service & Information.

RATE OF RETURN ON RATE BASE AND ON COMMON EQUITY
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

(Dollars in Thousands)

For Year Ended 12/31/99

1. Rates of return both on rate base and to common equity must be computed from actual information from the books and records for the reporting year.
2. Use beginning and end of the year account balances to compute average plant-in-service and depreciation reserve balances. Use 13-month end account balances to compute the average balances for other rate base components. ASSUME a -0- CASH WORKING CAPITAL REQUIREMENT IN RATE BASE.
3. Use the average of twelve monthly balances for the Debt, Preferred Stock and Common Equity components of the Capital Structure.
4. Attach additional sheets to this report showing computations of all averages used for rate base and capitalization components.

NET OPERATING INCOME AND RETURN ON RATE BASE

	1 Current Year Normalized for Weather	2 Current Year Unnormalized Data	3 Projected Year Data Normalized for Weather
1. Revenues	340,210	330,157	379,706
2. Expenses	313,560	309,401	351,251
3. Net Operating Income	26,650	20,756	28,455
4. Allowance For Funds Used During Construction	246	246	248
5. Total Available for Return	26,896	21,002	28,703
6. AVERAGE RATE BASE	333,882	333,882	351,909
7. RATE OF RETURN ON RATE BASE Line 5/Line 6	8.06%	6.29%	8.16%

(continued on next page)

Northern States Power Co (MN)
Gas Utility
Average Year Rate Base - Minnesota Jurisdiction
For Year Ended 12/31/99
(\$000s)

	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Average</u>
Plant			
Production	\$12,601	\$12,838	\$12,720
Storage	24,989	25,244	\$25,117
Transmission	21,920	22,071	21,995
Distribution	466,948	491,131	479,040
General	14,342	12,829	13,586
Common	40,568	44,629	42,598
TBT Net Investment	250	205	228
Total	\$581,618	\$608,947	\$595,282
Reserve			
Production	\$7,754	\$8,174	\$7,964
Storage	15,144	16,109	\$15,627
Transmission	11,853	12,440	\$12,147
Distribution	161,746	171,811	\$166,779
General	7,741	4,927	\$6,334
Common	16,853	18,935	\$17,894
Total	\$221,091	\$232,396	\$226,744
Accumulated Deferred Taxes (1)	\$48,892	\$51,855	\$50,374
Working Capital			
Gas in Storage (2)			15,543
Materials & Supplies (2)			1,927
Prepays & Other (2)			1,635
Unamortized Rate Case Expense			0
Total			\$19,105
CWIP			\$6,514
Non-Plant Assets & Liabilities			(\$9,895)
Differences Due To Rounding			(\$7)
Average Rate Base			<u><u>\$333,882</u></u>

Notes

(1) Includes TBT accumulated deferred taxes allocated to MN jurisdiction.

(2) Fuel, Materials & Supplies, and Prepays & Other, in this section, are calculated using a 13-month average to be consistent with rate case filings.

Source

MN Juris COSS

RATE OF RETURN ON RATE BASE AND ON COMMON EQUITY
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

(Dollars in Thousands)

CURRENT YEAR CAPITALIZATION

	Amount (a)	Percent of Total (b)	Cost (c)	Weighted Average (d)
8. Debt	2,015,490	53.43	6.79	3.63
9. Preferred Stock	105,340	2.79	5.04	0.14
10. Common Equity	1,651,054	43.77	11.47	5.02
11. Total Capitalization	3,771,884	100%		

RETURN ON COMMON EQUITY FOR CURRENT YEAR

$$\frac{\text{Line 7, Column 1} - (\text{Line 8, Column (d)} + \text{Line 9, Column (d)})}{\text{Line 10, Column (b)}} = \underline{\underline{9.79\%}} \quad (1)$$

PROJECTED YEAR CAPITALIZATION (2)

	Amount (a)	Percent of Total (b)	Cost (c)	Weighted Average (d)
12. Debt	2,042,681	52.67	6.93	3.65
13. Preferred Stock	105,340	2.72	4.04	0.11
14. Common Equity	1,730,149	44.61	11.47	5.12
15. Total Capitalization	3,878,170	100%		

RETURN ON COMMON EQUITY FOR PROJECTED YEAR

$$\frac{\text{Line 7, Column 3} - (\text{Line 12, Column (d)} + \text{Line 13, Column (d)})}{\text{Line 14, Column (b)}} = \underline{\underline{9.86\%}} \quad (1)$$

(1) Due to current market conditions and the pending merger with New Century Energies, NSP's 1999 actual and 2000 budget common equity ratios are abnormally low compared to historical averages and the anticipated post-merger capital structure of New NSP Utility on an annual basis. As a result, the reported return on common equity percentages for these two periods are higher than would result under normal or post-merger conditions.

Northern States Power Company
 Capital Structure

Calendar Year 1999

(\$000's)

Month	1999 Capital Structure							
	Capital Employed Bonds (2)	RDF Adjustment to Debt (+)	Short-Term Debt (1) (2)	Preferred Stock (2)	Common Equity	Non-Utility Common Equity (-)	RDF Adjustment to Common Equity (-)	Net Common Equity
December-1998					2,577,784	786,103	25,040	1,766,641
January-1999	1,736,830	18,157	58,028	105,340	2,617,884	792,602	24,986	1,800,296
February-1999	1,537,057	18,193	75,106	105,340	2,632,951	899,336	24,931	1,708,684
March-1999	1,537,485	18,229	99,254	105,340	2,589,362	897,657	24,877	1,666,828
April-1999	1,537,915	18,265	129,006	105,340	2,596,381	902,030	24,823	1,669,528
May-1999	1,554,732	18,301	160,530	105,340	2,608,119	904,539	24,769	1,678,811
June-1999	1,538,260	18,337	194,423	105,340	2,560,769	918,887	24,714	1,617,168
July-1999	1,783,909	18,374	227,011	105,340	2,620,882	948,185	24,660	1,648,037
August-1999	1,784,378	18,410	242,947	105,340	2,604,902	965,648	24,606	1,614,648
September-1999	1,784,780	18,446	259,504	105,340	2,631,486	977,885	24,552	1,629,049
October-1999	1,785,246	18,482	275,488	105,340	2,660,631	975,998	24,498	1,660,135
November-1999	1,785,711	18,518	294,271	105,340	2,678,306	1,097,478	24,443	1,556,385
December-1999	1,784,457	15,737	<u>318,139</u>	<u>105,340</u>	<u>2,636,585</u>	<u>1,164,697</u>	<u>24,389</u>	<u>1,447,499</u>
Total	20,150,760	217,449	318,139	1,264,080	34,016,042	12,231,045	321,288	21,463,709
Average	1,679,230	18,121	318,139	105,340	2,616,619	940,850	24,714	1,651,055
Average w/RDF	1,697,351							
Total Capitalization	3,771,884							

(1) Short-term debt is an average daily outstanding calculation rather than a month-end balance

(2) Bonds, Short-Term Debt and Preferred Stock (book value) are averaged over 12 months. The remaining columns are averaged over 13 months

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Northern States Power Co. (Mn)
 Minnesota Jurisdiction-Gas
 1999 Sales & Revenues
 Actual

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Sub-Total	Adjustment	Total
Residential															
(A)	6,990,185	4,420,476	3,813,085	2,170,970	1,369,194	539,306	537,726	570,394	1,014,064	2,036,532	3,163,291	5,349,708	31,974,931		31,974,931
(B)	35,698,833	23,235,048	20,854,588	11,760,639	9,016,549	4,906,384	4,887,837	5,190,854	7,682,102	13,421,122	21,226,477	30,111,278	187,991,711	(4,904,518)	183,087,193
(C)	322,267	325,021	325,554	324,058	319,294	330,950	324,972	326,762	328,124	329,269	330,207	331,709	326,516		326,516 **
(D)	1,592.2	1,025.6	935.1	471.9	158.1	65.9	0.0	0.8	167.3	479.2	690.6	1,211.4			
(E)	0.0	0.0	0.0	0.0	11.7	89.6	239.4	109.6	35.6	0.0	0.0	0.0			
Small Commerical Firm															
(A)	3,348,171	2,400,561	621,879	217,136	75,949	53,522	48,960	86,803	222,028	446,569	682,735	1,204,185	9,408,498		9,408,498
(B)	15,738,408	11,379,075	3,262,873	956,588	815,071	643,391	542,276	869,740	1,483,396	454,235	4,352,809	5,916,811	46,414,673	(69,965)	46,344,708
(C)	27,248	27,918	22,014	21,356	20,765	21,479	21,095	21,134	21,194	21,358	21,631	26,500	22,808		22,808 **
Large Commercial Firm															
(A)			1,403,694	930,556	687,139	160,113	224,920	220,707	322,947	603,253	912,491	1,450,769	6,916,589		6,916,589
(B)			6,477,389	4,286,424	2,837,377	1,092,447	1,179,412	1,057,463	1,692,573	5,224,308	5,161,002	7,470,876	36,479,271	(2,131,224)	34,348,047
(C)			6,425	6,543	6,345	6,711	6,549	6,558	6,534	6,533	6,571	6,529	6,530		6,530
Small Industrial Firm															
(A)	357,804	285,178	272,159	142,832	86,778	68,820	59,980	66,402	78,512	115,811	151,999	209,368	1,895,643		1,895,643
(B)	1,075,244	1,026,465	973,041	532,621	362,347	420,732	381,250	380,792	436,267	965,288	753,139	866,195	8,173,381	(411,110)	7,762,271
(C)	100	102	102	102	91	115	112	114	113	116	119	585	148		148 **
Interruptible															
(A)	1,779,269	1,487,931	1,636,598	1,306,316	502,059	1,512,080	1,152,349	1,183,832	893,134	1,370,465	1,211,087	1,790,112	15,825,232		15,825,232
(B)	4,423,952	3,720,102	3,891,635	2,959,205	1,314,303	3,467,327	3,321,670	2,586,539	3,145,057	6,280,818	4,314,171	4,726,529	44,151,308	(2,453,497)	41,697,811
(C)	559	572	563	563	445	685	562	576	569	580	558	600	568		568
Transportation															
(A)	566,245	941,585	757,192	649,655	375,551	658,984	478,941	321,766	311,821	452,143	696,757	897,819	7,108,459	0	7,108,459
(B)	459,459	436,873	457,131	329,597	115,563	521,473	371,434	260,094	234,484	347,717	653,980	423,757	4,611,562	(116,062)	4,495,500
(C)	52	48	51	47	3	96	45	46	46	46	45	50	48		48 **
Other Gas Sales & Revenues															
(A)	477,495	146,527	316,035	403,799	605,292	564,990	515,101	375,281	468,624	455,933	(317)	7,526	4,336,286	0	4,336,286
(B)	992,361	507,412	838,747	1,136,335	442,989	2,076,849	1,316,604	1,142,332	2,114,893	1,290,381	322,020	878,412	13,059,335	(631,521)	12,427,814 *
Revenue -Other & Interdepartmental															

- (A) Actual Monthly Sales Corrected for Billing Errors
- (B) Revenues Corresponding to Sales Volume
- (C) Number of Customers (Average per Month)
- (D) Heating Degree Days Matched to Sales Data
- (E) Cooling Degree Days Matched to Sales Data

*Certain other gas revenues do not relate to sales

**Average

In March of 1999, eliminated certain categories of revenue and consolidated them in other categories.

340,881,241 (10,717,897) 330,163,344

Northern States Power Co. (Mn)
 Minnesota Jurisdiction-Gas
 1999 Sales & Revenues(Weather Normalized)
 Actual

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Sub-Total	Adjustment	Total
Residential															
(A)	6,990,185	4,420,476	3,813,085	2,170,970	1,369,194	539,306	537,726	570,394	1,014,064	2,036,532	3,163,291	5,349,708	31,974,931		31,974,931
(B)	35,598,047	24,687,285	21,455,863	12,151,251	9,251,659	4,906,384	4,887,837	5,190,854	7,733,984	13,643,648	23,535,442	32,272,412	195,314,666	(4,904,518)	190,410,148
(C)	322,267	325,021	325,554	324,058	319,294	330,950	324,972	326,762	328,124	329,269	330,207	331,709	326,516		326,516 **
(D)	1,592.2	1,025.6	935.1	471.9	158.1	65.9	0.0	0.8	167.3	479.2	690.6	1,211.4			
(E)	0.0	0.0	0.0	0.0	11.7	89.6	239.4	109.6	35.6	0.0	0.0	0.0			
Small Commerical Firm															
(A)	3,348,171	2,400,561	621,879	217,136	75,949	53,522	48,960	86,803	222,028	446,569	682,735	1,204,185	9,408,498		9,408,498
(B)	15,699,016	11,954,672	3,333,414	983,440	820,228	643,391	542,276	869,740	1,491,424	490,833	4,701,621	6,298,055	47,828,110	(69,964)	47,758,146
(C)	27,248	27,918	22,014	21,356	20,765	21,479	21,095	21,134	21,194	21,358	21,631	26,500	22,808		22,808 **
Large Commercial Firm															
(A)			1,403,694	930,556	687,139	160,113	224,920	220,707	322,947	603,253	912,491	1,450,769	6,916,589		6,916,589
(B)			6,633,524	4,402,828	2,912,211	1,092,447	1,179,412	1,057,463	1,704,114	5,272,106	5,613,657	7,928,377	37,796,139	(2,131,224)	35,664,915
(C)			6,425	6,543	6,345	6,711	6,549	6,558	6,534	6,533	6,571	6,529	6,530		6,530
Small Industrial Firm															
(A)	357,804	285,178	272,159	142,832	86,778	68,820	59,980	66,402	78,512	115,811	151,999	209,368	1,895,643		1,895,643
(B)	1,075,244	1,026,465	973,041	532,621	362,347	420,732	381,250	380,792	436,267	965,288	753,139	866,195	8,173,381	(411,110)	7,762,271
(C)	100	102	102	102	91	115	112	114	113	116	119	585	148		148 **
Interruptible															
(A)	1,779,269	1,487,931	1,636,598	1,306,316	502,059	1,512,080	1,152,349	1,183,832	893,134	1,370,465	1,211,087	1,790,112	15,825,232		15,825,232
(B)	4,423,952	3,720,102	3,891,635	2,959,205	1,314,303	3,467,327	3,321,670	2,586,539	3,145,057	6,280,818	4,314,171	4,726,529	44,151,308	(2,453,497)	41,697,811
(C)	559	572	563	563	445	685	562	576	569	560	558	600	568		568
Transportation															
(A)	566,245	941,585	757,192	649,655	375,551	658,984	478,941	321,766	311,821	452,143	696,757	897,819	7,108,459	0	7,108,459
(B)	459,459	436,873	457,131	329,597	115,563	521,473	371,434	260,094	234,484	347,717	653,980	423,757	4,611,562	(116,062)	4,495,500
(C)	52	48	51	47	3	96	45	46	46	46	45	50	48		48 **
Other Gas Sales & Revenues															
(A)	477,495	146,527	316,035	403,799	605,292	564,990	515,101	375,281	468,624	455,933	(317)	7,526	4,336,286	0	4,336,286
(B)	992,361	507,412	838,747	1,136,335	442,989	2,076,849	1,316,604	1,142,332	2,114,893	1,290,381	322,020	878,412	13,059,335	(631,521)	12,427,814 *
Revenue -Other & Interdepartmental															

- (A) Actual Monthly Sales Corrected for Billing Errors
- (B) Revenues Corresponding to Sales Volume
- (C) Number of Customers (Average per Month)
- (D) Heating Degree Days Matched to Sales Data
- (E) Cooling Degree Days Matched to Sales Data

*Certain other gas revenues do not relate to sales

**Average

In March of 1999, eliminated certain categories of revenue and consolidated them in other categories.

350,934,501 (10,717,896) 340,216,605

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR
(Minnesota Jurisdiction)

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.
2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (c) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged directly to operations or accounts other than accrued and prepaid tax accounts.
4. The aggregate of each kind of tax should be listed under the appropriate heading of "Federal," "State," "Local" in such a manner that the total tax for each State and for all subdivisions can readily be ascertained.
5. If any tax covers more than one year, the required information of all columns should be shown separately for each tax year. When the amounts accrued pertain to other than the current year, show by footnote for each year whether the tax return has been audited by the Internal Revenue Service and furnish particulars for any adjustments, in total (debit or credit), that have been made to Account 236, Taxes accrued, due to any such audits.
6. Enter all adjustments by parentheses.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet, plant account or subaccount.
9. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

TAXES ACCRUED, PREPAID, AND CHARGED DURING YEAR
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

	B.O.Y BALANCES		TAXES CHARGED DURING YEAR (c)	TAXES PAID DURING YEAR (d)	ADJUSTMENTS (e)	E.O.Y. BALANCES	
	TAXES ACCRUED (a)	PREPAID TAXES (b)				TAXES ACCRUED (ACCOUNT 236) (f)	PREPAID TAXES (INCL. IN ACCT.165) (g)
FEDERAL INCOME							
UNEMPLOY FICA							
OTHER							
STATE PROPERTY INCOME							
UNEMPLOY OTHER							
LOCAL GROSS FRANCHISE TAX OTHER							

Continued on next page

See page p-44A.

TAXES ACCRUED, PREPAID, AND CHARGED DURING YEAR
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

	DISTRIBUTION OF TAXES CHARGED		(Show utility department where applicable and account charged.)			ADJ. TO RET.
	ELECTRIC ACCT. 408.1 & 409.1 (h)	OTHER DEPTS. ACCT. 408.1 & 409.1 (i)	OTHER INC. & DED'N. ACCTS 408.2 & 409.2 (j)	EXTRAORDINARY ITEMS, ACCT. 409.3 (k)	OTHER UTILITY OPER INCOME ACCTS. 408.1 & 409.1 (l)	EARNINGS ACCT. 439 (m)
FEDERAL INCOME						
UNEMPLOY FICA						
OTHER						
STATE PROPERTY INCOME						
UNEMPLOY OTHER						
LOCAL GROSS FRANCHISE TAX OTHER						

See page p-44A.

Report of Northern States Power Company (Minnesota)
 For Year Ended December 31, 1999

Taxes Charged During The Year
 (Minnesota Jurisdiction)

(\$000's)

Federal Income Taxes	\$2,672
State Income Taxes	829
Taxes other than Income Taxes	
-Property Taxes	13,388
-Gross Earnings	5,004
-Payroll	2,006
Total Other Than Income Taxes	\$20,398
Deferred Income Tax + ITC Flow through	2,616
TOTAL TAXES	\$26,515

The detail of taxes requested on this form presents a problem for a multi-utility, multi-jurisdictional Company such as NSP. The Minnesota jurisdictional current income taxes are determined using the operating revenues and expenses directly assigned or allocated to Minnesota to arrive at the taxable income and applying the federal and state income tax rates. This method does not identify taxes accrued or taxes paid on a jurisdictional basis. It calculates the current tax liability only.

The payroll taxes (FICA, Employer's Excise, Federal and State Unemployment) are assigned or allocated to utility and jurisdictional in total, therefore, the jurisdictional information is not available by type of payroll tax as requested.

ALLOCATION STATISTICS *
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company
 For Year Ended 12/31/99

CURRENT YEAR STATISTICS

Allocation Use and Basis: Describe the meaning of the allocations, show the formula, and define all numbers used in the formula. Use a separate sheet if necessary.

	REFERENCE (WHERE USED)		Col	TOTAL UTILITY (a)	MINN JURIS (b)	MINN % OF TOTAL (c)	LAST YR MINN % OF TOTAL (d)	CHANGE FROM LAST YEAR (e)
	Pg	Ln						
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

* Indicate allocation statistics which have changed during the year using an asterisk.
 Continued on next page

ALLOCATION STATISTICS *
 (Minnesota Jurisdiction)

Northern States Power Company (MN)
 Company

For Year Ended 12/31/99

CURRENT YEAR STATISTICS

Allocation Use and Basis: Describe the meaning of the allocations, show the formula, and define all numbers used in the formula. Use a separate sheet if necessary.

	REFERENCE (WHERE USED)		Col	TOTAL UTILITY (a)	MINN JURIS (b)	MINN % OF TOTAL (c)	LAST YR MINN % OF TOTAL (d)	CHANGE FROM LAST YEAR (e)
	Pg	Ln						
16	<u>Customers:</u>							
17	<u>Fargo Area</u>							
				30,932	7,608	24.5959	24.76	(.1641)
18	<u>Grand Forks Area</u>							
				14,820	2,346	15.8300	15.39	.4400
19	<u>Metro, Northwest and Southeast Regions</u>							
				336,407	336,407	100.0000	100.0000	-----
20	<u>Lakes Region</u>							
				9,166	9,166	100.0000	100.0000	-----
21	<u>Total Gas Utility</u>							
				391,325	355,527	90.8521	90.9646	(.1125)
22								
23	<u>Used to allocate various common functions between</u>							
24	<u>the MN and ND Jurisdictions.</u>							
25								
26								
27								
28								
29								
30								

* Indicate allocation statistics which have changed during the year, using an asterisk.

CERTIFICATE OF SERVICE

I, Carl Cronin, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket No. G002/M-17-894

Dated this 6th day of November 2018

/s/

Carl Cronin
Regulatory Case Specialist

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_17-894_M-17-894
Ryan	Barlow	Ryan.Barlow@ag.state.mn.us	Office of the Attorney General-RUD	445 Minnesota Street Bremer Tower, Suite 1400 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_17-894_M-17-894
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	OFF_SL_17-894_M-17-894
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-894_M-17-894
Corey	Conover	corey.conover@minneapolismn.gov	Minneapolis City Attorney	350 S. Fifth Street City Hall, Room 210 Minneapolis, MN 554022453	Electronic Service	No	OFF_SL_17-894_M-17-894
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174 Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_17-894_M-17-894
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-894_M-17-894
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_17-894_M-17-894
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	OFF_SL_17-894_M-17-894
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_17-894_M-17-894

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Annete	Henkel	mui@mnuilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_17-894_M-17-894
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	OFF_SL_17-894_M-17-894
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	No	OFF_SL_17-894_M-17-894
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_17-894_M-17-894
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	Yes	OFF_SL_17-894_M-17-894
Ryan	Long	ryan.j.long@xcelenergy.com	Xcel Energy	414 Nicollet Mall 401 8th Floor Minneapolis, MN 55401	Electronic Service	No	OFF_SL_17-894_M-17-894
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_17-894_M-17-894

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_17-894_M-17-894
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_17-894_M-17-894
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, Minnesota 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_17-894_M-17-894
Zeviel	Simpser	zsimpser@briggs.com	Briggs and Morgan PA	2200 IDS Center80 South Eighth Street Minneapolis, MN 554022157	Electronic Service	No	OFF_SL_17-894_M-17-894
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-894_M-17-894
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	Yes	OFF_SL_17-894_M-17-894
Cam	Winton	cwinton@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_17-894_M-17-894

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_17-894_M-17-894