Direct Testimony and Schedules
Nicole L. Doyle

Before the Minnesota Public Utilities Commission
State of Minnesota

In the Matter of the Application of Northern States Power Company
for Authority to Increase Rates for Natural Gas Service in Minnesota

Docket No. G002/GR-25-356
Exhibit___(NLD-1)

# Cost Assignment and Allocation Principles

October 31, 2025

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# I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. My name is Nicole L. Doyle. I am employed by Xcel Energy Services Inc. (XES or Service Company), the service company subsidiary of Xcel Energy, as Director of Corporate Accounting.

Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

A. As Director of Corporate Accounting, which includes Corporate Accounting, Service Company Accounting, Cash Processes, Business Area Accounting, and Financial Data Governance, I am responsible for the general administration of XES, including accounting, billing, allocations, policies and procedures, service agreements, internal and external audits, and external reporting to state and federal regulatory agencies. Additionally, I direct Xcel Energy's Corporate Accounting group, which manages the month-end close process, legal consolidation process, maintains the general ledger, and other accounting functions and controls; the Cash Processes group, which is responsible for monitoring and reconciling cash activity, long-term debt, and other related items for all Xcel Energy affiliates and subsidiaries; the Business Area Accounting group, which is responsible for the accounting functions for business areas of Xcel Energy, which include Energy Supply, Transmission, Distribution, Gas Engineering & Operations, Nuclear, and Corporate Services; and the Financial Data Governance team, which is responsible for setting up master data, processing the forecast, and administration of our capital asset accounting system. My statement of qualifications is provided as Exhibit___(NLD-1), Schedule 1.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. In my testimony, I present the Cost Assignment and Allocation Manual (CAAM) for Northern States Power Company – Minnesota (NSPM or the Company), d/b/a Xcel Energy, demonstrating how our cost assignment and allocation methodologies and processes ensure that our costs to serve customers are assigned to the appropriate entities. Also, I outline the process for allocating XES charges and identify unique features of the General Allocator and certain other allocations for the NSPM jurisdiction, and the adjustment necessary to implement the required allocation factor (Total Allocated Labor Hours With Overtime (FTE Hours) rather than Number of Employees) for interim rates and request that the Company be permitted to dispense with this adjustment.

Lastly, I explain the Company's process for allocating costs between its gas and electric utilities, discuss affiliate transactions between the Xcel Energy operating companies; and explain the process for allocating costs to our non-regulated business activities.

## II. COST ASSIGNMENT AND ALLOCATION

Q. PLEASE SUMMARIZE THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section, I discuss the framework of our cost allocation and assignment principles, including the Service Agreement between XES and NSPM, and the NSPM CAAM. I then discuss the services provided by XES to NSPM, and how the cost of those services is either directly assigned (direct charge) or allocated (indirect charge) to the Company. I explain the allocation methods used and quantify the adjustment in this case that results from the use of FTE Hours in Minnesota instead of the Number of Employees in our General Allocator and

certain other allocations. Finally, I discuss how we handle transactions between Xcel Energy operating company affiliates and NSPM's non-regulated business activities.

## A. Cost Assignment and Allocation Framework

Q. PLEASE SUMMARIZE THE COMPANY'S OVERALL PHILOSOPHY FOR RECORDING COSTS.

A. Our overall philosophy is to record costs for all products and services in a consistent, equitable manner to ensure they are recovered from the customers of the entity responsible for the costs that are incurred. This philosophy is designed to reasonably apportion fully distributed costs to individual operating companies, like NSPM, and to avoid cross-subsidization between the operating companies and any non-regulated business activities.

Q. ARE THERE GUIDING PRINCIPLES RELATED TO THIS PHILOSOPHY THAT ARE APPLIED BY XCEL ENERGY?

A. Yes. To implement this philosophy, our cost assignment and allocation process follows the guiding principles set forth in the Commission's decision in Docket No. E,G999/CI-90-1008.[1] These principles are applied to both the regulated utility services and non-regulated business activities across Xcel Energy. NSPM's hierarchical cost allocation principles are as follows:

1) Tariffed rates shall be used to value tariffed services provided.
2) Costs shall be directly assigned to either regulated or non-regulated business activities whenever possible.

[1] *In re Investigation into the Competitive Impact of Appliance Sales and Service Practices in Minn. Gas and Elec. Utils.*, Docket No. G,E999/CI-90-1008, ORDER SETTING FILING REQUIREMENTS at 4-7 (Sept. 28, 1994) (clarified by ORDER CLARIFYING COMMISSION ORDER DATED SEPTEMBER 28, 1994 (Mar. 7, 1995)).

3) Costs that cannot be directly assigned are common costs, which shall be grouped into homogeneous cost categories. Each cost category shall be allocated based upon indirect cost causation.
4) When neither direct nor indirect measures of cost causation can be found, the cost category shall be allocated based upon a general allocator.

Using this process ensures that all subsidiaries are charged for their appropriate share of costs. Thus, our efforts to appropriately allocate and assign costs are aligned with our customers' expectations and interests that they pay for only those costs that are part of the services they receive from the Company.

Q. PLEASE SUMMARIZE THE COMPANY'S APPROACH TO COST ASSIGNMENT AND ALLOCATION USING THESE PRINCIPLES.

A. In accordance with the Commission's Order in Docket No. E,G002/CI-90-1008, the Company strives to direct charge or assign costs wherever possible. Direct charges occur when a service being rendered is for the benefit of a specific legal entity only. Allocated, or indirect, charges occur when services cannot be directly assigned to a specific legal entity. For instance, preparing the consolidated financial statements which occurs simultaneously for all entities or writing corporate policies that impact all employees are allocated charges that cannot be directly assigned to a specific legal entity.

Q. WHAT IS THE BASIS OF THE ALLOCATED CHARGES THAT CANNOT BE DIRECTLY ASSIGNED?

A. We use allocation percentages or ratios to assign non-Company-specific costs. These allocation percentages or ratios are calculated using allocation methods and formulas based on allocation statistics reflecting Company operations, such as the

number of customers, dollar amount of revenues, dollar amount of plant assets, megawatt-hours (MWh) of generation, and number of customer bills. Below, I discuss these allocations further in Section II.

Q. HOW DOES THE COMPANY PUT THESE PRINCIPLES INTO PRACTICE?

A. We have a Service Agreement that describes the services provided by XES to NSPM (and the other operating companies and affiliates), as well as a CAAM that identifies the methodologies used to ensure expenditures are appropriately and consistently assigned or allocated:

- among utility operations within NSPM (natural gas and electric);
- among jurisdictions within NSPM (Minnesota, North Dakota, and South Dakota); and
- to the non-regulated business activities operated within NSPM.

The CAAM also helps promote a greater understanding of the Company's cost assignment and allocation principles by providing detailed reference information for both XES and NSPM personnel.

Q. ARE THESE DOCUMENTS SUBJECT TO COMMISSION APPROVAL?

A. Yes. In its November 20, 2014 Order in Docket No. E,G002/AI-14-234, the Commission approved the Second Amendment to the Service Agreement with certain modifications and directed the Company to submit an annual filing for review and approval of any proposed changes to its allocation methods. We have subsequently submitted annual filings, which have been approved or acknowledged (where approval was not required) by the Commission. The most recent updates to the Service Agreement, resulting in the Sixth Amendment, was filed with the Commission on May 30, 2025. This amendment includes a new

Wildfire Mitigation service function and various text updates for additional clarity and consistency purposes but does not reflect any changes to the Company's allocation methodology. A copy of the Sixth Amendment to the NSPM Service Agreement is provided as Exhibit (NLD-1), Schedule 2.

The Company's first CAAM was approved by the Commission as part of our natural gas rate case in Docket No. G002/GR-04-1511. NSPM's CAAM, updated effective August 31, 2025, is provided as Exhibit___(NLD-1), Schedule 3. Although the CAAM has been updated over the years since its first approval, the cost assignment and allocation principles applied by NSPM are not new and have been applied in the development of the test year cost of service in all of NSPM's rate cases since Docket No. G002/GR-04-1511.

Q. DOES THE CAAM REFLECT COST ALLOCATION PRINCIPLES THAT HAVE BEEN ADOPTED BY THE COMMISSION?

A. Yes. The principles reflected in the CAAM are based on the guiding principles set forth in the Commission's Order in Docket No. E,G999/CI-90-1008. In our May 30, 2025 Petition seeking approval of the current Service Agreement (Docket No. E,G002/AI-25-245), the Company re-affirmed its commitment to the cost allocation principles established in Docket No. E,G999/CI-90-1008 and described how its cost allocation procedures implement and adhere to those principles.

Q. WHAT WAS THE PURPOSE AND FUNCTION OF THE MOST RECENT UPDATES TO THE CAAM?

A. The CAAM is updated annually, as well as on an ad-hoc basis, to ensure that the included documentation and methodologies listed within the CAAM remain current. There have been minor updates to the CAAM since the Company's most

recent prior gas rate case filing (Docket No. G002/GR-23-413).[2] The changes between the version of the CAAM included with that gas rate case application and the current CAAM primarily relate to updates of active legal entities in the Xcel Energy holding company structure, the replacement of the non-regulated HomeSmart business with HomeServe Commission, the removal of a non-regulated business activity, the addition of the Wildfire Mitigation service function, and minor text and updates to FERC account numbering for additional clarity and consistency purposes.

Q. HOW IS THE CAAM USED IN THIS PROCEEDING?

A. The 2026 test year budgeted costs used by Company witness Benjamin C. Halama to develop the 2026 test year revenue requirement were developed using the principles contained in the current CAAM.

Q. HAS THE COMPANY PROVIDED A LIST OF, AND DESCRIPTIONS FOR, THE VARIOUS ALLOCATION METHODS USED FOR THE TEST YEAR?

A. Yes. A list of the allocation factors used by XES in its general ledger system for each of our operating companies is provided in Exhibit___(NLD-1), Schedule 4. This schedule also includes a description of each method, by Allocating Cost Center (ACC), as well as the 2026 test year percentage allocated to NSPM. Exhibit___(NLD-1), Schedule 5 presents a detailed description of the statistics used to calculate the allocation percentages for these methods, as well as the calculation of the NSPM allocation percentages by ACC. The detailed descriptions of the calculation of the allocation ratios can be found in Appendix A of the Service Agreement, included as Schedule 2.

[2] The CAAM was also updated in the Company's 2024 electric rate case filing, Docket No. E002/GR-24-320.

Q. ARE THESE THE SAME ALLOCATION METHODS THAT ARE APPLIED IN OTHER JURISDICTIONS SERVED BY XCEL ENERGY UTILITY OPERATING COMPANIES?

A. Yes, but there is one exception. A change to the General Allocator and certain other allocators used for the Minnesota jurisdiction of NSPM was required by the Commission's March 15, 2011 Order in Docket No. E,G002/AI-10-690. I discuss the impact of using the General Allocator and other allocators specific to Minnesota in Section II.C.1. below. Other than these exemptions required by the Commission's Order, the allocation methods applied in this case are the same allocation methods that are in effect and approved in NSPM's other operating jurisdictions (North Dakota and South Dakota), and in the operating jurisdictions of the other Xcel Energy operating companies: Northern States Power Company–Wisconsin (NSPW), Public Service Company of Colorado (PSCo), and Southwestern Public Service Company (SPS).

Q. IS THE COMPANY'S COST ASSIGNMENT AND ALLOCATION FRAMEWORK SUBJECT TO OVERSIGHT BY ANY OTHER REGULATORY AGENCIES?

A. Yes. The cost assignment and allocation framework used by XES is under the oversight of the Federal Energy Regulatory Commission (FERC) through periodic audits.

### B. Xcel Energy Services Company Charges

Q. PLEASE DESCRIBE THE TYPES OF XES COSTS OR SERVICES THAT ARE PROVIDED TO XES AFFILIATES, SUCH AS NSPM.

A. The following are XES costs or services that are provided to XES affiliates:

- Operations and maintenance (O&M) costs of providing corporate services to XES affiliates, such as NSPM. These services typically include any managerial, financial, legal, engineering, marketing, auditing, statistical,

advertising, publicity, tax, research or any other service, information or data, which is sold or furnished for a charge;

- O&M costs for preliminary planning related to capital software projects that benefit more than one operating company or other affiliate;
- Shared facilities O&M costs that are recorded in cost pools referred to in SAP as Allocating Cost Centers (ACCs). These costs may include (depending on the shared facility), administrative property services labor and non-labor costs, utility expenses, maintenance costs for structures and systems, a prorated share of property taxes (for owned buildings), and rent and occupancy expenses (for leased buildings); and
- Fleet, Warehousing, and Purchasing O&M costs that are recorded to ACCs.

Q. PLEASE PROVIDE AN OVERVIEW OF THE METHODS XES USES TO ASSIGN AND ALLOCATE COSTS TO THE COMPANY.

A. XES direct *assigns* costs when the specific operating company or affiliate (or the specific department or business area within the operating company or affiliate) that should be billed can be identified. For example, the XES Controller's organization can charge NSPM for the work that has been performed to prepare a regulatory filing in Minnesota. Another example is an XES engineer direct charging labor costs related to a gas distribution project directly to the Gas Distribution business area under the Minnesota Gas Jurisdiction. Direct charge internal orders are used to track and directly charge a specific affiliate as well as a specific jurisdiction and/or business area within that affiliate.

XES *allocates* costs when a service provided by XES employees cannot be directly assigned to one affiliate. A description of the XES allocation methodology for each service is provided in the Allocation Ratios section of Appendix A of the

Service Agreement. To allocate costs that cannot be directly assigned, XES first identifies homogeneous cost pools known as ACCs that have the same cost driver and then selects the allocation method that has the most cost-causative relationship to the cost driver to allocate the charges within the ACC. Indirect charge internal orders are used to track and allocate costs that cannot be directly assigned to the appropriate ACC. For example, the Risk Management department negotiates the corporate umbrella insurance policies that benefit every operating affiliate. Therefore, the costs incurred by Risk Management to negotiate the policies would be considered indirect charges and are allocated proportionally to every operating affiliate.

Q. HOW DOES XES ENSURE THAT XES COSTS ARE RECORDED, ASSIGNED, AND ALLOCATED CORRECTLY?

A. XES takes the following steps to ensure its costs are correctly recorded, assigned, and allocated:

- Accessible Policies and Procedures
    - Policies and procedures regarding the recording of costs are available on the Xcel Energy internal web site for transparency and accessibility by all Xcel Energy personnel;
- Mandatory Training
    - Employees receive required training delivered through a combination of classroom, online/computer-based modules and individual/one-on-one trainings;
- Regular Financial Reviews
    - Finance and Accounting personnel conduct ongoing reviews of all allocations;

- Internal Audits
    - Periodic audits are performed to assess adherence to XES policies and procedures; and
- Monitoring and Oversight
    - Formal and informal reviews, including business area evaluations with operating company presidents ensures XES charging accuracy.

Q. DOES XES REPORT ITS CHARGES TO THE XCEL ENERGY OPERATING COMPANIES AND AFFILIATES?

A. Yes. XES files a FERC Form 60 report on an annual basis. This report shows XES billings to the Xcel Energy operating companies and affiliates, including a list of approved allocation methods. A copy of the 2024 XES FERC Form 60 is provided as Exhibit___(NLD-1), Schedule 6.

### C. Allocation Methods and Factors

Q. IN GENERAL, WHAT ARE THE METHODS USED TO ALLOCATE COSTS TO AND WITHIN THE COMPANY?

A. There are two primary allocation methods: the General Allocator and the Utility Allocator. I will discuss each of these allocation methods in this section of my testimony.

Q. WHAT IS THE BASIS OF THESE ALLOCATION METHODS?

A. Each allocation method relies on underlying entity statistics relevant to the types of charges that need to be allocated to an Xcel Energy operating company, affiliate, or business area within an operating company. In this way, the Company seeks to align its cost allocation methods with a reasonable representation of cost causation.

Q. HOW OFTEN ARE THE OPERATING COMPANY AND AFFILIATE STATISTICS USED IN THE ALLOCATION FACTORS UPDATED?

A. The allocation ratios and allocation factors are recalculated annually based on the prior calendar-year statistics and go into effect in April of each year.[3] XES will also update the statistics used in the allocation ratios and allocation factors when there is a significant change, such as the addition or deletion of an operating company or affiliate.

Q. ARE THE ALLOCATION METHODS CONSISTENT ACROSS ALL XCEL ENERGY OPERATING COMPANIES?

A. Yes, except that (as previously noted) in Docket No. E,G002/AI-10-690, the Commission required NSPM to use a unique allocation method for its General Allocator and certain other allocators. Specifically, instead of using Number of Employees, as we do in all other jurisdictions, the Commission has required NSPM to use FTE Hours to allocate certain costs to the Minnesota jurisdiction. A list of the allocation factors for XES based on FTE Hours is provided in Exhibit___(NLD-1), Schedule 4(a). As I describe in more detail below, the Company is proposing to discontinue this adjustment, which is unique to NSPM's Minnesota Jurisdiction, for purposes of setting final rates in this proceeding and future filings.

Q. WHAT DEGREE OF PRECISION DOES THE COMPANY ACHIEVE FOR ITS ALLOCATORS?

A. The Company has incorporated the use of four decimal places in the development of the relevant allocators since the Commission's Order in Docket No.

[3] XES annually updates four allocation statistics and allocation percentages related to the Joint Operating Agreement and trading activities starting with January business. The statistics are based on the prior calendar year.

E,G002/AI-10-690. We have likewise calculated the allocators in this case using four decimal places. We continue to believe that this provides a reasonable degree of precision.

*1. General Allocator*

Q. PLEASE DESCRIBE THE GENERAL ALLOCATOR.

A. As mentioned above, allocators are only used when a service provided by XES employees cannot be directly assigned to an affiliate. The General Allocator is used to allocate common costs when neither direct nor indirect measures of cost causation can be used to assign costs to operating companies and/or affiliates. For instance, the General Allocator is used when employees of XES are performing work on behalf of the overall Xcel Energy enterprise, such as an XES employee working on an Xcel Energy securities filing. In these cases, the XES employee can use the General Allocator for their time, and that time and associated costs are then allocated across the overall enterprise, including to the non-regulated affiliates and the operating companies, consistent with our CAAM. Only XES employees are allowed to allocate their labor costs; operating company employees, i.e., NSPM employees, are required to direct-charge all of their labor costs based on the work performed.

Q. HOW IS THE GENERAL ALLOCATOR CALCULATED?

A. The calculation used in all jurisdictions other than Minnesota is comprised of three equally weighted factors: NSPM Total Assets, NSPM Total Revenues, and NSPM Number of Employees. For example, NSPM's assets are 30.2219 percent of total assets, NSPM's revenue is 36.7815 percent of total revenue, and the number of NSPM employees is 49.1659 percent of the total number of employees as of December 31, 2024. The average of these three percentages is 38.7231 percent.

However, in Minnesota this allocator currently uses FTE Hours instead of Number of Employees.

Q. PLEASE DESCRIBE HOW THE NUMBER OF EMPLOYEES COMPONENT USED IN OTHER JURISDICTIONS IS CALCULATED?

A. The Number of Employees is calculated based on the number of employees of each entity. For example, as of December 31, 2024, NSPM had 3,920 of the total number of 7,973 employees for all of the affiliates or 49.1659 percent of the total.

Q. IN CONTRAST, HOW IS THE FTE HOURS COMPONENT CALCULATED IN MINNESOTA?

A. The FTE Hours component of Minnesota's three-factor formula for the General Allocator is calculated as a percentage of a portion of the total direct and allocated labor hours[4] for NSPM relative to the total direct and allocated labor hours for all affiliates receiving allocations through the General Allocator. FTE Hours is averaged together with Total Assets and Total Revenues; the other two allocation factors that make-up the General Allocator.

Q. IS THE GENERAL ALLOCATOR THE ONLY ALLOCATION METHOD IN WHICH NUMBER OF EMPLOYEES WAS REPLACED WITH FTE HOURS TO ALLOCATE COSTS TO THE MINNESOTA GAS JURISDICTION?

A. No. FTE Hours is also included in other allocation methods besides the General Allocator, as noted in Exhibit___(NLD-1), Schedule 5(a). The greatest impact, however, is to the General Allocator.

[4] This includes productive regular, overtime, and premium hours.

Q. PLEASE PROVIDE THE HISTORY ON WHY THE FTE HOURS METHOD IS CURRENTLY USED IN MINNESOTA TO CALCULATE THE GENERAL ALLOCATOR?

A. In a March 2011 Order in Docket No. E,G002/AI-10-690,[5] the Commission required the Company to use FTE Hours in place of Number of Employees. The Commission made this decision for two primary reasons:

> First, the labor component of the general allocator is designed in a way that results in no labor-related costs being allocated to unregulated subsidiaries that do not have their own payrolls. This is unreasonable on its face since no business can have labor costs of zero. Similarly, allocating the full costs of each employee to the subsidiary on whose payroll he or she appears overstates the labor costs of that subsidiary and understates the labor costs of any other subsidiary for whose benefit the employee occasionally performs services.[6]

Prior to the Commission's March 2011 Order, the Company had used the Number of Employees factor in calculating the General Allocator since 2000.[7] After the Commission's March 2011 Order, in each rate case, the Company has adjusted its allocation methods to reflect FTE Hours rather than Number of Employees.

Q. SINCE ISSUING ITS MARCH 2011 ORDER, HAS THE COMMISSION CONTINUED TO REQUIRE THE COMPANY TO USE THE FTE HOURS FACTOR IN THE GENERAL ALLOCATOR?

A. Yes. In the Company's last Minnesota rate case that did not settle, Docket No. E002/GR-21-630, the Commission required the Company to continue to use the

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[5] *In the Matter of Northern States Power Company's Cost Allocation Procedures and General Allocator,* Docket No. E,G002/AI-10-690, ORDER REQUIRING CHANGE IN GENERAL ALLOCATOR AND REQUIRING FILINGS (March 15, 2011); ERRATUM NOTICE (March 25, 2011).

[6] Id. at 1-2, quoting *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota*, Docket No. E002/GR-08-1065, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER at 21 (Oct. 23, 2009).

[7] Further information about the Company's use of Number of Employees factor in its General Allocator can be found in its June 18, 2010 Comments and September 10, 2010 Reply Comments in Docket No. E,G002/AI-10-690.

FTE Hours factor rather than Number of Employees.[8] In that case, the Commission concluded that the Company had not persuaded it to depart from its March 2011 Order. However, it is important to continue to address why it is more appropriate to use Number of Employees rather than FTE Hours as a factor in the General Allocator, and why the Commission's concerns expressed in the March 2011 Order are no longer applicable.

Q. WHY IS THE NUMBER OF EMPLOYEES METHOD THE APPROPRIATE METHOD TO USE IN CALCULATING THE GENERAL ALLOCATOR?

A. This method is based on the number of employees for each company, with common officers assigned to Xcel Energy Inc., and reasonably apportions costs amongst the affiliates commensurate with costs created by each affiliate. This is because the Number of Employees for each affiliate is directly related to the amount of support that XES employees must provide to each affiliate, whereas the number of hours each employee works for an affiliate does not directly correlate to the support required from the service company.

Specifically, as the Number of Employees for an affiliate increases, more service company labor hours and costs will need to be spent to support that affiliate's payroll, Human Resources, Technology Services, and other needs. For example, an accountant that reconciles payroll and benefits costs would see an increase in workload as the number of employees increases due to having more transactions and charges to reconcile and ensure they are recorded correctly. Conversely, if the number of employees is constant but the number of hours increases, the

[8] *In the Matter of the Application of Northern States Power Company, dba Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-21-630, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 106-08 (July 17, 2023). The Company's last two gas rate cases (Docket Nos. G002/GR-21-678 and G002/GR-23-413) each resulted in settlements, with the General Allocator question resolved via negotiation and compromise on multiple issues.

accountant may be looking at larger dollars, but the number of transactions and workload would not necessarily increase. Similarly, a Human Resources business partner is going to have an increased workload if the number of employees increases, as Human Resources would have a larger number of employees to support. But again, the number of hours worked does not directly correlate to the Human Resources support required. In this way, the Number of Employees has a more cost causative correlation to the amount of work being performed for each company as compared to the FTE Hours method.

In other words, the driver of such costs is the number of employees for an affiliate, not the number of hours.

Q. ARE THERE OTHER REASONS WHY THE NUMBER OF EMPLOYEES IS THE APPROPRIATE METHOD TO ALLOCATE COSTS AS COMPARED TO THE FTE HOURS METHOD?

A. Yes, using Number of Employees also provides for a more consistent and stable metric compared to using FTE hours. Using FTE Hours can vary greatly depending on the projects that employees are working on during a particular period, resulting in variation depending on which entity has the most or the largest projects during that time period, which would be representing labor hours charged for a past period. This can also result in a variable statistic driven by past project-based work rather than ongoing activities and can vary from period to period. Whereas the Number of Employees ratio has changed by small amounts from 0.18 percent to 0.13 percent for NSPM since 2020, the FTE Hours ratio has been much more variable – from 0.18 percent to 0.05 percent – as shown in Table 2 later in my Direct Testimony. Rather, because the Company does not have a practice of hiring employees to fill short-term needs and then laying off the employees once

the project is complete, in reality, the Company strategically deploys employees to support projects on an as-needed basis to maximize value for our customers and for the Company. Thus, the Number of Employees metric accurately measures the drivers of costs on a reasonably current and stable basis.

Q. IS THE FTE HOURS ALLOCATOR NEEDED FOR NSPM OR OTHER OPERATING UTILITY EMPLOYEE HOURS TO BE ALLOCATED ACCURATELY?

A. No. NSPM employees' hours are direct charged to the entity which they are performing work for which is primarily NSPM. NSPM employees cannot use allocators to charge their hours.

Q. CAN YOU PROVIDE AN EXAMPLE?

A. Yes. An NSPM Regulatory Manager that is an employee of NSPM direct charges their time when they perform work for the benefit of NSPM. When the NSPM Regulatory Manager performs work that benefits another operating company, they would direct charge the other operating company. They cannot charge an allocator to charge the work to the other operating company.

Q. CAN YOU PROVIDE AN EXAMPLE?

A. Because Xcel Energy operating company employees only direct assign their time and costs between operating companies when needed, the assignment process addresses hours worked and costs incurred by the employee in question. Therefore, despite some misunderstanding in the Company's previous rate cases about how NSPM employees direct assign their hours to other entities on behalf of which they perform work, the Number of Employees allocator is used more to ensure costs incurred at the XES (service company) level to support other entities' functions are properly allocated. And because these XES functions are driven

more by the number of employees in an operating company rather than the hours worked by each employee, the Number of Employees allocator is more applicable and appropriate.

As a result, allowing the Company to use the Number of Employees calculation methodology from this point forward will ensure, consistent with all other regulated jurisdictions, that customers in the Minnesota jurisdiction are paying for their portion of costs attributable to supporting NSPM.

As I provide in an example above about how the Number of Employees for each affiliate is directly related to the amount of support that XES employees must provide to each affiliate, the number of hours each employee works for an affiliate does not directly correlate to the support required from the service company.

Q. DO YOU EXPECT SIGNIFICANT VARIABILITY IN FTE HOURS IN THE FUTURE?

A. Yes. If the FTE Hours adjustment were to continue to be used, we would continue to expect changes in FTE Hours each year based on operational needs and specific events in a given year. Overtime hours can change significantly from year to year based on the timing of major overhauls and/or outages at the generating plants, as well as overtime related to major storm events. While the Number of Employees is also subject to change, it is less volatile, and it would be more consistent to utilize the same calculations across all jurisdictions.

Q. IN ITS MARCH 2011 ORDER, THE COMMISSION EXPRESSED CONCERN THAT USING THE NUMBER OF EMPLOYEES METHOD WOULD RESULT IN NO LABOR-RELATED COSTS BEING ASSIGNED TO UNREGULATED SUBSIDIARIES. IS THIS STILL AN APPLICABLE CONCERN?

A. No. This language from 2011 was repeated in the Commission's Order in the Company's most recent rate case (E002/GR-21-630). However, as currently implemented by the Company, it is simply incorrect to state that "using the Number of Employees method would result in no labor-related costs being assigned to unregulated subsidiaries." The General Allocator uses Number of Employees (with the 10 common officers assigned to Xcel Energy Inc. as of December 31, 2024), Total Revenues, and Total Assets as the three components of the allocation ratio. Assigning the 10 common officers to Xcel Energy Inc. results in a factor of 0.1254 percent of total headcount to non-regulated subsidiaries. This headcount factor, along with the aforementioned Total Revenues and Total Assets components of the General Allocator ensures that nonregulated companies receive a reasonable apportionment of costs. In addition, it is important to note that services performed directly for a non-regulated subsidiary would follow the policy of being directly charged if possible. Moreover, the non-regulated subsidiaries are also charged with labor-related overhead and an allocation of corporate costs.

By comparison, FTE Hours as calculated for the same period produced 13,384 FTE Hours charged to nonregulated companies, which represents 0.04867 percent of total FTE Hours and is the equivalent of 6.4 employees. Therefore, using Number of Employees with the common officers assigned to Xcel Energy Inc. provides for a larger allocation of costs to Xcel Energy's nonregulated companies than using FTE Hours. The statistics for Number of Employees and for FTE Hours for allocation ratios effective April 1, 2024 through March 31, 2026, are presented in Table 1 below. The "Other" row in the table represents all non-regulated affiliates, including Xcel Energy Inc. where the common officers are assigned.

**Table 1**
**Number of Employees and FTE Hours**
**Allocation Ratios Effective April 1, 2024 Through March 31, 2026**
**Xcel Energy Operating Companies**

| Entity | Employees as of 12/31/2024 | Ratio | FTE Hours as of 12/31/2024 | Ratio | Change in Ratio |
|---|---|---|---|---|---|
| NSPM | 3,920 | 49.1659% | 11,110,282 | 45.0552% | (4.1107%) |
| NSPW | 575 | 7.2118% | 1,903,125 | 7.7177% | 0.5059% |
| PSCo | 2,318 | 29.0731% | 8,059,010 | 32.6815% | 3.6084% |
| SPS | 1,150 | 14.4237% | 3,573,469 | 14.4914% | 0.0677% |
| Other | 10 | 0.1254% | 13,384 | 0.0543% | (0.0711%) |
| **Total** | 7,973 | 100.0000% | 24,659,271 | 100.0000% | |

The allocation factors presented above reflect the most current data available, including a portion of the test year (January 1, 2026 through March 31, 2026). Statistics for the remainder of the test year are not presented as we do not forecast headcount or the charging of labor hours by employee.

That said, the calculation of the FTE Hours adjustment using labor hours charged for 2024 for allocation ratios effective April 1, 2025 through March 31, 2026 resulted in an FTE Hours allocation of 0.0543 percent to non-regulated affiliates. In contrast, Number of Employees, which included 10 common officers, results in an allocation of 0.1254 percent to non-regulated affiliates. As illustrated by Table 1 above, the ratio assigns 131 percent more costs assigned to non-regulated affiliates under the Number of Employees method than under the FTE Hours method.

Additionally, statistics do not change substantially year to year, so we expect non-regulated affiliates to continue to be allocated a higher percentage based on the Number of Employees compared to the FTE Hours allocation for the duration of the 2026 test year. As shown in Table 2 below, the ratio of costs allocated to non-regulated entities was greater using the Number of Employee methodology than the FTE Hours methodology for each of the last five years except for 2020, in which the ratios were the same.

**Table 2**
**Non-Regulated Allocation Ratios by Methodology**

| Year | Number of Employees | FTE Hours |
|---|---|---|
| 2024 | 0.13% | 0.05% |
| 2023 | 0.15% | 0.09% |
| 2022 | 0.15% | 0.05% |
| 2021 | 0.17% | 0.04% |
| 2020 | 0.18% | 0.18% |

Q. DID THE COMMISSION EXPRESS ANY OTHER CONCERNS IN ITS MARCH 2011 ORDER REGARDING USING THE NUMBER OF EMPLOYEES METHOD?

A. Yes. The Commission was also concerned that the Number of Employees method would result in allocating the full costs of each employee to the subsidiary on whose payroll he or she appears would overstate the labor costs of that subsidiary and understate the labor costs of any other subsidiary for whose benefit the employee occasionally performs services and it again repeated that concern in the Company's last rate case.

Q. IS THIS STILL AN APPLICABLE CONCERN WITH USING THE NUMBER OF EMPLOYEES METHOD?

A. No. Again, this statement from 2011 is simply not correct given the Company's implementation of the Number of Employees and FTE Hours methods. In fact, the manual calculation we perform to calculate FTE Hours results in the *opposite* effect. In performing the calculation for the FTE Hours adjustment, hours charged to allocators that use the Number of Employees method are excluded so as not to skew the FTE Hours results. Excluding labor hours that are allocated by ratios using Number of Employees results in the elimination of 17.4 percent of total Service Company labor hours, which includes a significant portion of hours charged by administrative functions including Human Resources, Accounting and Finance, Legal, and Technology Services. As a result of excluding these hours, the FTE Hours calculation does not provide for an accurate reflection of the level of support provided to each company by the Service Company.

Each employee is responsible for charging their labor, and associated labor overheads, based on the work that they are performing. When a Service Company employee performs work for a nonregulated company, the nonregulated company is direct-charged, assigning labor and labor-related overheads to that company. Similarly, if an operating company employee performs work for another operating company, the employee direct-charges their time to the company they are performing work for, charging labor and labor-related overheads to that company, and providing a credit to the company for which that employee resides.

When employees are hired, they are hired by the operating company that they do the majority of their work for. Operating company employees do not perform a significant amount of work for other operating companies as such the net difference in work performed between operating companies is negligible. Additionally, as indicated in the CAAM, a journal entry is recorded quarterly to

account for corporate overheads associated with operating company labor that is cross charged to another company.

Q. ARE THERE OTHER EXAMPLES OF HOW THE FTE HOURS METHOD FAILS TO ACCURATELY ALLOCATE COSTS TO NSPM?

A. Yes. Under the FTE Hours calculation methodology, none of the service company employees get calculated into the FTE Hours because anything that goes through the employee ratio would not go into the FTE Hours calculation. Thus, indirect hours charged by business areas that primarily support employees are *excluded* from the FTE Hours calculation. Continued use of the FTE Hours methodology therefore means that Minnesota customers are not paying the full cost of NSPM services rendered to our customers.

Q. CAN YOU PROVIDE AN EXAMPLE OF AN EMPLOYEE WHOSE HOURS ARE NOT ACCURATELY ALLOCATED TO NSPM UNDER THE FTE HOURS METHOD?

A. Yes. In the examples of the accountant and Human Resources business partners noted above, these employees' hours would be eliminated from the FTE Hours calculation because the employees' hours would be allocated based on number of employees. The FTE Hours methodology does not allow all hours worked to support NSPM operations to be included in the ratio calculation, resulting in costs being under-allocated to Minnesota customers and, as such, the customers in the Minnesota jurisdiction are not currently paying for the full cost of providing these services. This is particularly unreasonable because NSPM has the largest number of employees as shown in Table 3 below and incurs the largest amount of costs and labor to support these employees through Human Resources, Payroll, Employee Communications, and other employee-focused business areas. The

"Other" row in the table represents all non-regulated affiliates, including Xcel Energy Inc., where the common officers are assigned.

**Table 3**
**Number of Employees and Allocation Ratios**
**Xcel Energy Operating Companies**

| Operating Company | Employees as of 12/31/2023 | Ratio | Employees as of 12/31/2024 | Ratio |
|---|---|---|---|---|
| NSP-Minnesota | 3,912 | 48.9428% | 3,920 | 49.1659% |
| NSP-Wisconsin | 566 | 7.0812% | 575 | 7.2118% |
| PSCo | 2,371 | 29.6635% | 2,318 | 29.0731% |
| SPS | 1,132 | 14.1624% | 1,150 | 14.4237% |
| Other | 12 | 0.1501% | 10 | 0.1254% |
| **Total** | 7.993 | 100.0000% | 7,973 | 100.0000% |

Q. IS THE COMPANY ABLE TO RECOVER THE COSTS FOR THE XES EMPLOYEE LABOR HOURS THAT ARE NOT INCLUDED IN THE FTE HOURS CALCULATION?

A. No. These costs are not recovered by the Company.

Q. WHY CAN THE FTE HOURS CALCULATION NOT BE ADJUSTED TO INCLUDE THE INDIRECT HOURS THAT ARE ALLOCATED USING THE NUMBER OF EMPLOYEES METHODOLOGY?

A. Because the Commission does not allow the use of the Number of Employees as an approved allocation methodology, we do not have a way to allocate these indirect hours in the calculation, so they are eliminated.

Q. WHAT IS THE COMPANY PROPOSING IN THIS PROCEEDING?

A. For final rates in this proceeding, the Company proposes to discontinue using FTE Hours as a unique component in the General Allocator as well as other allocation

ratios, and to use the Number of Employees method instead. As I have discussed, the requirement to use a unique allocator, (FTE Hours), only in Minnesota, results in less accurate allocations and makes our allocations inconsistent across jurisdictions. While both methods use prior year statistics in setting current year allocations, an allocation based on the Number of Employees is less subject to fluctuations.

Q. DID THE COMPANY NONETHELESS CALCULATE THE FTE HOURS ADJUSTMENT FOR PURPOSES OF THIS CASE?

A. Yes. Consistent with the Commission's prior orders, including Order Point 3 in the Commission's June 12, 2018 Order in Docket No. E002/AI-17-577,[9] for interim rates, the Company used the FTE Hours adjustment in light of the existing Commission Order. This adjustment is discussed in the Company's Interim Rate Petition and supporting schedules. Additionally, the Company is providing the allocation percentages resulting in that adjustment in my Direct Testimony and Exhibit___(NLD-1), Schedules 5(a) and 5(b).

Schedule 5(a) shows direct and allocated FTE Hours statistics used to calculate the allocation ratios for the 2026 test year.

Schedule 5(b) shows the calculation of the adjustments to the 2026 test year (for NSPM Total Company), applying the difference between the Number of Employees factor and the FTE Hours factor included in Minnesota's General Allocator, as well as the other affected ACC allocators.

[9] *"The ASA between XES and Nicollet Projects will be subject to future review in rate recovery proceedings where Xcel will demonstrate that all cost allocations are consistent with past Commission orders."* at 7.

*2. Utility Allocations*

Q. WHAT IS THE PURPOSE OF COMMON UTILITY ALLOCATIONS?

A. Utility O&M allocations are developed to allocate NSPM common (electric and natural gas) utility Administrative and General (A&G) costs charged to FERC accounts 920 through 935 to the electric and natural gas utilities. The allocations are also used to allocate NSPM common (electric and natural gas) utility customer accounting, customer information, and sales costs charged to FERC accounts 901 through 917 to the electric and natural gas utilities.

Q. WHAT METHOD IS USED TO ALLOCATE THE NSPM (TOTAL COMPANY) COMMON CUSTOMER-RELATED UTILITY COSTS BETWEEN THE ELECTRIC AND NATURAL GAS UTILITIES?

A. The method used to allocate common customer-related utility costs between electric and natural gas utilities is the number of customer bills. The method used to allocate the commodity portion of the bad debt between electric and natural gas utilities is associated revenues.

Q. IS THE METHOD USED TO ALLOCATE THE NSPM (TOTAL COMPANY) COMMON A&G-RELATED UTILITY COSTS BETWEEN THE ELECTRIC AND NATURAL GAS UTILITIES THE SAME AS WAS USED IN NSPM'S LAST ELECTRIC AND GAS RATE CASES?

A. Yes. In the 2026 budget, A&G-related FERC accounts 925 and 926 were allocated to the Minnesota electric and natural gas utilities based on labor. However, all other common A&G costs were allocated to the electric and natural gas utilities based on a weighted three-factor formula comprised of revenue, utility plant-in-service, and supervised O&M. (Supervised O&M refers to O&M costs which are included in FERC account 500 through FERC account 917). The three-factor

formula measures three distinct aspects of the Company's operations and results in an appropriate assignment of costs to the electric and natural gas utilities. This is consistent with NSPM's hierarchical cost allocation principles described earlier in my testimony. Step four of these principles specifically addresses the use of the General Allocator when no cost causative link exists.

Q. ARE THE 2026 TEST YEAR O&M AND RATE BASE UTILITY ALLOCATION METHODOLOGIES AND ALLOCATION FACTORS PROVIDED IN YOUR TESTIMONY?

A. Yes. The 2026 test year O&M Utility Allocation methodology is explained in Section VI of the CAAM, provided as Schedule 3, and the 2026 test year Utility Allocation factors are further detailed in Exhibit___(NLD-1), Schedule 7. The 2026 test year utility rate base allocation methodology is explained in Section VI of the CAAM, and the 2026 test year utility rate base allocation factors are detailed in Company witness Halama's Direct Testimony.

### D. Affiliate Transactions

Q. PLEASE EXPLAIN THE BENEFITS THAT SHARED O&M SERVICES BETWEEN NSPM (TOTAL COMPANY) AND THE AFFILIATED UTILITY OPERATING COMPANIES PROVIDE TO MINNESOTA GAS CUSTOMERS.

A. The provision of services by NSPM (Total Company) to other legal entities reduces overhead costs related to those services, which further reduces the amount of cost recovered from our customers. In addition, NSPM (Total Company) receives services from other operating companies at cost, which eliminates the need for NSPM (Total Company) itself to develop those services and incur the related overhead costs.

Q. WHAT TYPES OF O&M CHARGES BETWEEN NSPM (TOTAL COMPANY) AND OTHER AFFILIATED UTILITY OPERATING COMPANIES ARE INCLUDED IN THE 2026 TEST YEAR BUDGET?

A. The allocated O&M charges between NSPM (Total Company) and other Xcel Energy regulated operating companies in the 2026 test year are limited to small amounts of facilities costs and related labor overhead costs, which are discussed in Section V of the CAAM. Exhibit___(NLD-1), Schedule 8 provides a description, and the dollar amounts of the charges between NSPM (Total Company) and NSPW (Total Company), PSCo, and SPS. For the 2026 test year, estimated charges from NSPM (Total Company) to NSPW (Total Company) total $0.19 million, and charges from NSPW (Total Company) to NSPM (Total Company) total $0.21 million. All test year charges between NSPM (Total Company) and either SPS or PSCo total approximately $0.02 million, as illustrated in Schedule 8.

Q. ARE THERE ANY OTHER AFFILIATED INTEREST TRANSACTIONS THAT ARE RELEVANT TO THIS CASE?

A. Yes. I would like to provide additional information related to cost allocations for the Company's amended agreement with Liberty Paper, Inc. (Docket No. E002/M-19-663).

Q. HOW DOES THE LIBERTY PAPER, INC. AMENDED AGREEMENT RELATE TO COST ALLOCATIONS IN THIS PROCEEDING?

A. When the Commission approved the amended agreement with Liberty Paper, Inc., in its February 21, 2020 Order in Docket No. E002/M-19-663, the Commission included a requirement that, for the duration of steam sales to Liberty Paper, Inc., the Company must demonstrate the reasonableness of the Company's proposed

cost allocations related to the steam sales. The allocation of costs to Liberty Paper, Inc. and the reasonableness of those costs, are discussed in Section III of NSPM's CAAM, provided as Schedule 3.

### E. Non-Regulated Business Activity Allocations

Q. PLEASE IDENTIFY NSPM'S NON-REGULATED BUSINESS ACTIVITIES.

A. The Company's non-regulated business activities include the following, which are further described in Section III of NSPM's CAAM:

- HomeServe Commissions;
- Infowise (provides energy management reporting solutions to non-residential customers);
- Customer Owned Street Lighting Maintenance (maintenance services to communities for street light systems); and
- Sherco Steam Sales to Liberty Paper Inc. (steam supplied to meet thermal needs).

Q. WHAT IS THE AMOUNT OF THE NSPM (TOTAL COMPANY) NON-REGULATED BUSINESS ACTIVITIES?

A. The NSPM (Total Company) non-regulated business activities accounted for approximately 0.26 percent of NSPM (Total Company) total 2024 actual revenues and -0.94 percent of NSPM (Total Company) 2024 actual operating expenses (excluding purchased fuel, power and gas expenses). Exhibit___(NLD-1), Schedule 9 provides the supporting calculations. The 2024 Securities and Exchange Commission (SEC) Form 10-K for NSPM, provided as Exhibit___(NLD-1), Schedule 10, is the source of the statistics used in these calculations, and the applicable pages are referenced in the footnotes of Schedule 9.

Q. ARE ALLOCATIONS MADE TO THE NSPM (TOTAL COMPANY) NON-REGULATED BUSINESS ACTIVITY?

A. Yes. Non-regulated business activity allocations ensure that: 1) the costs for services provided to the NSPM (Total Company) non-regulated business activities are billed representing a fully-distributed cost; and 2) gas and electric utility operations are not subsidizing non-regulated business activities. In addition, NSPM (Total Company) allocates a portion of its corporate costs using the labor-related overhead presented in Exhibit___(NLD-1), Schedule 11. All allocations made to or by NSPM (Total Company) as a result of these activities related to affiliated interest agreements are reasonable and have not resulted in any customer subsidization of non-regulated activities of affiliated companies.

Q. HAVE THE TEST YEAR NON-REGULATED BUSINESS ACTIVITY ALLOCATION METHODOLOGY AND ALLOCATION FACTORS BEEN PROVIDED IN YOUR TESTIMONY?

A. Yes. The test year allocation methodology is explained in Section VII of the CAAM, and the test year non-regulated business activity allocation factors are listed in Schedule 11.

## III. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY

A. Our cost allocation processes are designed to ensure that the costs to provide service to our customers are recorded to the appropriate legal entities. They emphasize the importance of accuracy, facilitate business area accountability, and result in a reasonable, accurate forecast of the costs we expect to incur. In light of these guiding principles, Xcel Energy requests that the Commission approve the

cost allocation methodologies used by the Company in setting final rates, including the use of Number of Employees instead of FTE Hours for the calculation of the Company's General Allocator.

As discussed above in my Direct Testimony, the General Allocator is only used when a Service Company employee is unable to direct-charge that labor because the work supports the overall enterprise otherwise the costs are direct charged. The Number of Employees methodology allocates more charges to non-regulated utilities, addressing the Commission's first concern raised in the 2011 order. In regard to the Commission's second concern, operating company employees do not perform a significant amount of work that is cross charged to other operating companies or non-regulated entities. The labor that is charged is credited back along with labor and corporate overheads so one operating company does not subsidize the work of another operating company or non-regulated entity. Additionally, using Number of Employees in calculating the General Allocator provides for a more stable statistic that reflects the Company's strategic deployment of employees to support projects and allows for a more accurate reflection of the level of support provided by the Service Company.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

**Statement of Qualifications**

**Nicole L. Doyle**

**Director of Corporate Accounting**
**Xcel Energy Services Inc.**

I received a Bachelor of Accounting from the University of Minnesota Duluth in 2007. I also received and have held a (inactive) CPA license issued by the Minnesota Board of Accountancy since 2007.

My current position with Xcel Energy Services Inc. (XES) is Director of Corporate Accounting. As Director of Corporate Accounting, which includes Corporate Accounting, Service Company Accounting, Cash Processes, Business Area Accounting, and Financial Data Governance, I am responsible for the general administration of XES, including accounting, billing, allocations, policies and procedures, service agreements, internal audits, external audits and external reporting to state and federal regulatory agencies. Additionally, I direct Xcel Energy's Corporate Accounting group, which manages the month-end close process, legal consolidation process, maintains the general ledger, and other accounting functions and controls; the Cash Processes group, which is responsible for monitoring and reconciling cash activity, long-term debt, and other related items for all Xcel Energy affiliates and subsidiaries; the Business Area Accounting group, which is responsible for the accounting functions for business areas of Xcel Energy which includes Energy Supply, Transmission, Distribution, Gas Engineering & Operations, Nuclear and Corporate Services; and the Financial Data Governance team, which is responsible for setting up master data, processing the forecast, and administration of our capital asset accounting system.

I have been employed by XES since April 2015, holding various positions in Corporate Accounting.

Prior to joining XES, I was employed by Target Corporation as Manager, AP Financial Control and Accounting Supervisor, Retail Bankcard Services in which I managed teams responsible for month end accrual processes and accounting related to the acceptance of third party credit and debit cards. I was also previously employed by CliftonLarsonAllen as a senior accountant where I performed financial statement audits, internal audits, and various review engagements primarily for financial institutions.

**SIXTH AMENDMENT TO SERVICE AGREEMENT**
**BETWEEN**
**NORTHERN STATES POWER COMPANY,**
**a Minnesota corporation**
**AND**
**XCEL ENERGY SERVICES INC.**

THIS SIXTH AMENDMENT TO SERVICE AGREEMENT ("Sixth Amendment") is made and entered into as of the 6th day of February 2025, by and between Northern States Power Company, a Minnesota corporation ("Client Company") and Xcel Energy Services Inc. ("Service Company").

WHEREAS, Client Company and Service Company entered into that certain Service Agreement dated as of August 15, 2004 ("Original Service Agreement");

WHEREAS, the Original Service Agreement has been amended from time to time;

WHEREAS, the Original Service Agreement was most recently amended by a Fifth Amendment to Service Agreement dated as of May 29, 2020 approved by the Minnesota Public Utilities Commission in their March 17, 2021 Order in Docket No. E,G002/AI-20-514 ("Fifth Amendment" and the Original Service Agreement as amended, the "Amended Service Agreement");

WHEREAS the Amended Service Agreement is subject to the jurisdiction of state utility commissions and the Federal Energy Regulatory Commission;

WHEREAS, additional amendments to the Amended Service Agreement are necessary to recognize new allocation methodologies that are being implemented by the Client Company and Service Company;

WHEREAS, additional amendments to the Amended Service Agreement are necessary to recognize realignment of activities within certain Service Functions of the Service Company;

WHEREAS, Client Company and Service Company mutually desire, by means of this Sixth Amendment, to further amend the Amended Service Agreement as set forth below;

NOW THEREFORE, for and in consideration of the mutual covenants contained in this Sixth Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Appendix A to the Amended Service Agreement is deleted in its entirety and replaced with the contents of Appendidx A to this Sixth Amendment.

2. Except as expressly amended by this Sixth Amendment, all other provisions of the Amended Service Agreement remain in full force and effect.

3. This Sixth Amendment to Service Agreement shall be subject to all necessary and prudent regulatory approvals.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment to Service Agreement to be executed as of the date and year first above written.

XCEL ENERGY SERVICES INC.

BY: _____
Name: Amy Schneider
Title: Vice President, Corporate Secretary & Securities

NORTHERN STATES POWER COMPANY,
A MINNESOTA CORPORATION

BY: _____
Name: Ryan Long
Title: President

**[SIGNATURE PAGE TO SIXTH AMENDMENT TO SERVICE AGREEMENT]**

# Appendix A

**DESCRIPTION OF SERVICES TO BE PROVIDED BY XCEL ENERGY SERVICES INC. AND DETERMINATION OF CHARGES FOR SUCH SERVICES TO THE OPERATING COMPANIES AND OTHER AFFILIATES**

**Description of Services Provided**

A description of the services provided by Xcel Energy Services is detailed below. Identifiable costs will be directly assigned to the Operating Companies and other affiliates. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

*a) Executive Management Services**

Description - Represents charges for Xcel Energy Inc. ("Xcel Energy") executive management and services, including, but not limited to, officers of Xcel Energy.

Method of Allocation - Executive Management Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*b) Investor Relations**

Description - Provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting.

Method of Allocation - Investor Relations indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*c) Internal Audit & Risk**

Description - Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks and trading risks.

Method of Allocation - Internal Audit and Risk indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*d) Legal**

Description - Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation - Legal indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*e) Claims Services**

Description - Provides claims services related to casualty, public and company claims.

Method of Allocation - Claims Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*f) Corporate Communications**

Description - Provides corporate communications, speech writing and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy system. Manages and tracks all charitable contributions made on behalf of the Xcel Energy system.

Method of Allocation - Corporate Communications indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*g) Employee Communications**

Description - Develops and distributes communications to employees.

Method of Allocation - Employee Communications indirect costs will be allocated based on the Employee Ratio.

*h) Corporate Strategy & Business Development**

Description - Facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance and evaluates business opportunities. Develops and facilitates process improvements.

Method of Allocation - Corporate Strategy & Business Development indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*i) Government Affairs**

Description - Monitors, reviews and researches government legislation.

Method of Allocation - Government Affairs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*j) Facilities & Real Estate**

Description - Operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment.

Method of Allocation - Facilities & Real Estate indirect costs will be allocated based on the Employee Ratio.

*k) Facilities Administrative Services**

Description - Includes but is not limited to the functions of mail delivery, duplicating and records management.

Method of Allocation - Facilities Administrative Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*l) Supply Chain**

Description - Includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts.

Method of Allocation - Supply Chain will be direct charged. Any management and oversight of the payment and reporting services activities that cannot be direct charged will be allocated based on the Invoice Transaction Ratio.

*m) Supply Chain Special Programs**

Description - Develops and implements special programs utilized across the company such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals.

Method of Allocation - Supply Chain Special Programs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*n) Human Resources**

Description - Establishes and administers policies related to employment, compensation and benefits. Maintains Human Resources computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general Human Resources support services.

Method of Allocation - Human Resources indirect costs will be allocated based on the Employee Ratio.

*o) Finance & Treasury**

Description - Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets. Performs financial and economic analysis.

Method of Allocation - Finance & Treasury indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*p) Accounting, Financial Reporting & Taxes**

Description - Maintains the books and records. Prepares financial and statistical reports, tax filings and ensures compliance with the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process.

Method of Allocation – Accounting, Financial Reporting & Taxes indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*q) Payment & Reporting**

Description - Processes payments to vendors and prepares statistical reports.

Method of Allocation - Payment & Reporting indirect costs will be allocated based on the Invoice Transaction Ratio.

*r) Receipts Processing**

Description - Processes payments received from customers of the Operating Companies and affiliates.

Method of Allocation - Receipts Processing indirect costs will be allocated based on the Customer Bills Ratio.

*s) Payroll**

Description - Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation - Payroll indirect costs will be allocated based on the Employee Ratio.

*t) Rates & Regulation**

Description - Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation - Rates & Regulation indirect costs will be allocated based on the Direct Labor Ratio.

*u) Environmental Services & System Planning**

Description - Responsible for the long-term planning and integration for the generation, transmission and distribution of electric and natural gas systems. Also, provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects.

Method of Allocation - Environmental Services & System Planning will be direct charged; indirect costs will be allocated based on the Total Plant Ratio.

*v) Energy Supply Business Resources**

Description - Provides performance, specialists and analytical services to the Operating Companies' generation facilities.

Method of Allocation - Energy Supply Business Resources indirect costs will be allocated based on the MWh Generation Ratio.

*w) Energy Markets Regulated Trading & Marketing**

Description - Provides electric trading services to the Operating Companies' electric generation systems including load management, system optimization and resource acquisition.

Method of Allocation - Energy Markets Regulated Trading & Marketing indirect costs will be allocated based on the Total MWh Sales Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*x) Energy Markets - Fuel Procurement**

Description - Purchases fuel for Operating Companies electric generation systems (excluding nuclear).

Method of Allocation - Energy Markets Fuel Procurement indirect costs will be allocated based on the MWh Generation Ratio.

*y) Energy Delivery Marketing**

Description - Develops new business opportunities and markets the products and services for the Delivery Business Unit.

Method of Allocation - Energy Delivery Marketing will be direct charged.

*z) Energy Delivery Construction, Operations & Maintenance (COM)**

Description - Constructs, maintains and operates electric and gas delivery systems.

Method of Allocation - Energy Delivery COM indirect costs will be allocated based on the Delivery Services Gross Plant Ratio.

*aa) Energy Delivery Engineering/Design**

Description - Provides engineering and design services in support of capacity planning, construction, operations and material standards.

Method of Allocation - Energy Delivery Engineering/Design services will be direct charged; administrative support functions that cannot be direct charged will be allocated based on the Delivery Services Gross Plant Ratio.

*bb) Marketing & Sales**

Description - Provides marketing and sales services for the Operating Companies and affiliates for their electric and natural gas customers including strategic planning, segment identification, business analysis, sales planning and customer service.

Method of Allocation - Marketing & Sales indirect costs will be allocated based on the Revenue Ratio.

*cc) Customer Service**

Description - Provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center and credit and collections.

Method of Allocation - Customer Service indirect costs will be allocated based on the Customers Ratio. Indirect costs associated with administering low income and certified medical customer assistance programs will be allocated based on a composite of the average of the Special Needs Customer Contacts Ratio and Residential Customers Ratio.

*dd) Business Systems & Innovation**

Description - Provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration and systems management. In addition, Business Systems acts as a single point of contact for delivery of all technical services to Xcel Energy. They partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace.

Method of Allocation - Business Systems indirect costs will be allocated using any of the allocation ratios or combination of ratios.

*ee) Aviation Services**

Description - Provides aviation and travel services to employees.

Method of Allocation - Aviation Services will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Assets Ratio.

*ff) Fleet**

Description - Oversees the Operating Companies' Fleet Services Group.

Method of Allocation - Fleet will be direct charged.

*gg) Wildfire Mitigation**

Description – Provides support for all Xcel Energy functions to help plan for and mitigate wildfire risk to ensure customer and Xcel Energy employee safety.

Method of Allocation - Wildfire Mitigation indirect costs will be allocated based on the Total Plant Ratio.

*Corporate Governance activities within this Service Function will be allocated using the average of the Total Assets Ratio including Xcel Energy Inc.'s Per Book Assets, Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc., and Employee Ratio.

**Allocation Ratios**

The following ratios will be utilized as outlined above.

*Revenue Ratio* - Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc.* - Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the amount of intercompany dividends. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Employee Ratio* - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes. For regulatory purposes, in the Minnesota jurisdiction, the Total Allocated Labor Hours Including Overtime shall be used. Total Allocated Labor Hours Including Overtime (FTE Hours) is the methodology ordered by the Minnesota Public Utilities Commission in Docket No. E,G002/AI-10-690, which is based on the number of labor hours including overtime for employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

*Employee Ratio with number of common officers assigned to Xcel Energy Inc.* - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the number of common officers. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total Assets Ratio* - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total Assets Ratio including Xcel Energy Inc's Per Book Assets* - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the per book assets of Xcel Energy Inc. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Square Footage Ratio* - Based on the total square footage as of December 31 for the prior year. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Invoice Transaction Ratio* - Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such time as may be required due to significant changes.

*Customer Bills Ratio* - Based on the average of the monthly total number of customer bills issued during the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*MWh Generation Ratio* - Based on the sum of the monthly electric MWh generated by type of generator during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total MWh Sales Ratio* - Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Customers Ratio* - Based on the average of the monthly total electric customers (and/or gas customers, or residential, business and large commercial and industrial customers, where applicable) for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Delivery Services Gross Plant Ratio* - Based on transmission and distribution gross, both electric and, for the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the electric transmission gross plant;
(2) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the electric distribution gross plant;
(3) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the gas transmission gross plant;
(4) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the gas distribution gross plant;
(5) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the electric transmission gross plant and the electric distribution gross plant;
(6) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant and the gas transmission gross plant;
(7) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant and the gas distribution gross plant;
(8) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the electric distribution gross plant and the gas transmission gross plant;
(9) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the electric distribution gross plant and the gas distribution gross plant;
(10) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the gas transmission gross plant and the gas distribution gross plant;
(11) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas transmission gross plant;
(12) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas distribution gross plant;
(13) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the gas transmission gross plant, and the gas distribution gross plant;

(14) If the costs being allocated are directly related only to electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric distribution plant, the gas transmission gross plant, and the gas distribution gross plant.

*Meters Ratio* - Based on the number of meters at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to Advanced Metering Infrastructure ("AMI") enabled meters, the ratio shall be based on the number of AMI enabled meters.

*Customer Contacts Ratio* - Based on the total annual number of customer contacts at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

If the costs being allocated are directly related only to the support of special needs customers, such as those receiving low income energy assistance and those having certified medical conditions, the Special Needs Customer Contacts Ratio shall be used.

Special Needs Customer Contacts Ratio – Based on the number of contacts received by the special needs customer department at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Accounts Payable Transactions Ratio* - Based on the total annual number of accounts payable transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Inventory Transactions Ratio* - Based on the total annual number of inventory transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Work Management Transactions Ratio* - Based on the total annual number of work management transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Purchasing Transactions Ratio* - Based on the total annual number of purchasing transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Plant Ratio* - Based on total property, plant and equipment at the end of the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to electric production, the ratio shall be based on the total electric production plant;
(2) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the total electric transmission plant;
(3) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the total electric distribution plant;
(4) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the total gas transmission plant;
(5) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the total gas distribution plant;
(6) If the costs being allocated are directly related only to electric vehicles, the ratio shall be based on the total electric vehicle plant;
(7) If the costs being allocated are directly related only to intangible plant, the ratio shall be based on the total intangible plant;
(8) If the costs being allocated are directly related only to electric production and electric transmission, the ratio shall be based on the sum of the total electric production plant and the total electric transmission plant;

(9) If the costs being allocated are directly related only to electric production and electric distribution, the ratio shall be based on the sum of the total electric production plant and the total electric distribution plant;
(10) If the costs being allocated are directly related only to electric production and gas transmission, the ratio shall be based on the sum of the total electric production plant and the total gas transmission plant;
(11) If the costs being allocated are directly related only to electric production and gas distribution, the ratio shall be based on the sum of the total electric production plant and the total gas distribution plant;
(12) If the costs being allocated are directly related only to electric production and intangible plant, the ratio shall be based on the sum of the total electric production plant and the total intangible plant;
(13) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the total electric transmission plant and the total electric distribution plant;
(14) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the total electric transmission plant and the total gas transmission plant;
(15) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the total electric transmission plant and the total gas distribution plant;
(16) If the costs being allocated are directly related only to electric transmission and intangible plant, the ratio shall be based on the sum of the total electric transmission plant and the total intangible plant;
(17) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the total electric distribution plant and the total gas transmission plant;
(18) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the total electric distribution plant and the total gas distribution plant;
(19) If the costs being allocated are directly related only to electric distribution and intangible plant, the ratio shall be based on the sum of the total electric distribution plant and the total intangible plant;
(20) If the costs being allocated are directly related only to electric distribution and electric vehicle plant, the ratio shall be based on the sum of the total electric distribution plant and the total electric vehicle plant;
(21) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the total gas transmission plant and the total gas distribution plant;
(22) If the costs being allocated are directly related only to gas transmission and intangible plant, the ratio shall be based on the sum of the total gas transmission plant and the total intangible plant;
(23) If the costs being allocated are directly related only to gas distribution and intangible plant, the ratio shall be based on the sum of the total gas distribution plant and the total intangible plant;

(24) If the costs being allocated are directly related only to electric production, electric transmission, and electric distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total electric distribution plant;
(25) If the costs being allocated are directly related only to electric production, electric transmission, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas transmission plant;
(26) If the costs being allocated are directly related only to electric production, electric transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas distribution plant;
(27) If the costs being allocated are directly related only to electric production, electric transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total intangible plant;
(28) If the costs being allocated are directly related only to electric production, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas transmission plant;
(29) If the costs being allocated are directly related only to electric production, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas distribution plant;
(30) If the costs being allocated are directly related only to electric production, electric distribution, and intangible, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total intangible plant;
(31) If the costs being allocated are directly related only to electric production, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total gas distribution plant;
(32) If the costs being allocated are directly related only to electric production, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total intangible plant;
(33) If the costs being allocated are directly related only to electric production, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas distribution plant, and the total intangible plant;
(34) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;

(35) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;
(36) If the costs being allocated are directly related only to electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total intangible plant;
(37) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;
(38) If the costs being allocated are directly related only to electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total intangible plant;
(39) If the costs being allocated are directly related only to electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas distribution plant, and the total intangible plant;
(40) If the costs being allocated are directly related only to electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(41) If the costs being allocated are directly related only to electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(42) If the costs being allocated are directly related only to electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;
(43) If the costs being allocated are directly related only to gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(44) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;
(45) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;
(46) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total intangible plant;

(47) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;
(48) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total intangible plant;
(49) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;
(50) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(51) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(52) If the costs being allocated are directly related only to electric production, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(53) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;
(54) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(55) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(56) If the costs being allocated are directly related only to electric transmission, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(57) If the costs being allocated are directly related only to electric distribution, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;

(58) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, and the total intangible plant;
(59) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;
(60) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(61) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;
(62) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;
(63) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(64) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant.

*Total Phones Ratio* - Based on the number of phones at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Radios Ratio* - Based on the number of radios at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Computers Ratio* - Based on the number of computers at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Software Applications Users Ratio* - Based on the number of users of a specific software application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Joint Operating Agreement Peak Hour Megawatt Load Ratio* - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on peak hour of megawatt load for previous year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Joint Operating Agreement Labor Hours Ratio* - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on labor hours at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Direct Labor Ratio* – Based on fully-loaded direct-charged Rates and Regulation labor dollars charged to individual operating affiliates by the Rates and Regulation service function. The numerator of which is the fully-loaded direct-charged labor dollars to individual operating affiliates by Rates and Regulation service function and the denominator of which is the total fully-loaded direct-charged labor dollars to all affiliates by the Rates and Regulation service function.

# *Northern States Power Company*

## *Cost Assignment and Allocation Manual*

**September 2025**

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## I. INTRODUCTION

This Cost Assignment and Allocation Manual ("CAAM") was developed to specify the procedures that Northern States Power Company, a Minnesota corporation ("NSPM" or the "Company") follows in assigning and allocating costs among utility departments (electric and gas), among regulated services and non-regulated business activities and among jurisdictions.

NSPM was incorporated in 2000 under the laws of Minnesota and is a wholly owned operating utility subsidiary of Xcel Energy Inc. ("Xcel Energy" or the "Parent"). Xcel Energy was initially established as a registered holding company under the Public Utility Holding Company Act of 1935 ("PUHCA 1935"), with oversight by the Securities and Exchange Commission ("SEC"). On August 8, 2005, the Energy Policy Act of 2005 was signed into law. This repealed PUHCA 1935 and enacted the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), which became effective on February 8, 2006. Responsibility for oversight of public utility holding companies was transferred from the SEC to the Federal Energy Regulatory Commission ("FERC") as a result of the Energy Policy Act of 2005.

NSPM conducts business in Minnesota, North Dakota, and South Dakota and has electric operations in all three states including the generation, purchase, transmission, distribution, and sale of electricity. NSPM also purchases, transports, distributes, and sells natural gas to retail customers and transports customer-owned natural gas in Minnesota and North Dakota.

NSPM owns the following direct subsidiaries: United Power and Land Company, which holds real estate; and NSP Nuclear Corporation.

As a member of a holding company system, NSPM receives administrative, management, environmental, and other support services from Xcel Energy Services Inc. ("XES" or the "Service Company"), a centralized service company. The Service Company provides services to Xcel Energy and its subsidiaries, at cost, pursuant to service agreements. The service agreement between NSPM and XES, including all amendments to the original Service Agreement, have been submitted to, and approved by, the Minnesota Public Utilities Commission ("Commission"). The cost allocation methodologies under which XES costs are assigned and allocated are set forth in that Commission approved service agreement, and while those allocation methodologies are not the subject of this NSPM CAAM, they are referenced in several sections herein.

The Service Company is referenced in the CAAM for the following reasons:

- The Service Company is listed as an affiliate company in the Transaction with Affiliates section for the services it provides to NSPM.
- The Service Company and all other companies in the Xcel Energy holding company system of companies are included in the Corporate Organization section to provide a listing of all affiliates of NSPM.
- The Service Company is referenced in the Cost Assignment and Allocation Process section because this section covers processes that may cross multiple legal entities.

The NSPM CAAM contains the following sections:

- Introduction (Section I)
- Corporate Organization (Section II)
- Description of Services (Section III)
- Transactions with Affiliates (Section IV)
- Cost Assignment and Allocation Process (Section V)
- Utility Allocations (Section VI)
- Non-regulated Business Activity Allocations (Sections VII)
- Jurisdictional Allocations (Section VIII)

## DEFINITIONS

### Abbreviations or Acronyms

The following abbreviations or acronyms are used within the CAAM document:

| | |
|---|---|
| A&G | Administrative and general |
| AFUDC | Allowance for funds used during construction |
| ACC | Allocating cost center |
| CAAM | Cost Assignment and Allocation Manual |
| CIP | Conservation improvement program |
| Commission | Minnesota Public Utilities Commission |
| FERC | Federal Energy Regulatory Commission |
| FICA | Federal Insurance Contributions Act |
| FUTA | Federal Unemployment Tax Act |
| GAAP | Generally Accepted Accounting Principals |
| HR | Human Resources |
| IT | Information Technology |
| NSPM or the Company | Norther States Power Company, a Minnesota corporation |
| NSPW | Northern States Power Company, a Wisconsin corporation |
| NSP System | The electric production and transmission system of NSPM and NSPW operated on an integrated basis and managed by NSPM |
| O&M | Operating and maintenance |
| PSCo | Public Service Company of Colorado, a Colorado corporation |
| PUCHA 1935 | Public Utility Holding Company Act of 1935 |
| PUCHA 2005 | Public Utility Holding Company Act of 2005 |
| RTU | Remote terminal unit |
| SAP | SAP general ledger and work and asset management system |
| SCADA | Supervisory control and data acquisition |
| SEC | Securities and Exchange Commission |
| SKF | Statistical key figure |
| SPS | Southwestern Public Service Company, a New Mexico corporation |
| SUTA | State Unemployment Tax Authority |
| Utility subsidiaries or operating companies | NSPM, NSPW, PSCo, and SPS |
| Xcel Energy or the Parent | Xcel Energy Inc. and its subsidiaries |

| | |
|---|---|
| XES or the Service Company | Xcel Energy Services Inc. |

## Terms

The following terms are used within the CAAM document:

Accounts Payable – the payment and reporting department of XES.

A&G – includes activity in FERC accounts 920-935.3, Administrative and General Expenses.

ACC – an organizational unit that collects cost to be allocated using the allocation ratios or factors included in the SKF.

Assessment – the process used by the accounting system to allocate costs from an ACC to the receiving cost element.

Cost Element – an organizational unit to SAP that is used to track costs in the accounting system as they move through the various processing steps.

Customer Accounting Costs – includes activity in FERC accounts 901-903, Customer Accounts Expenses; FERC accounts 906-910, Customer Service and Informational Expenses; and FERC accounts 911-916, Sales Expenses.

Final Cost Center – final cost center defined by business function, company code, and profit center.

Home Cost Center – captures only labor and payroll postings and maps to HR departments.

Internal Order – internal orders are accounting mechanisms used to track expenses associated with certain projects or functions.

Non-Operations and Maintenance Allocations – allocations designed to apportion expenses recorded in accounts other than O&M to electric, gas, thermal and nonutility. The non-O&M costs apportioned include depreciation, payroll taxes, miscellaneous service revenues, amortization expenses, etc.

O&M – includes activity in FERC accounts 500-935.3 with the exception of the following FERC accounts: 501, Fuel; 901-903, Customer Accounts Expenses; 906-910, Customer Service and Informational Expenses; 911-916, Sales Expenses; and 920-935.3, Administrative and General Expenses.

Profit Center – SAP data element that identifies the jurisdiction or joint venture owner of revenues and expenses.

Receiving Cost Element – a cost element that receives costs when a settlement or assessment process is run.

Segment – represents electric, gas, thermal, joint venture, or other and is derived by SAP from profit center and cost center.

SKF – the method by which the allocation ratios and factors are organized in the accounting system and linked to ACCs to facilitate the performance of the assessment process to allocate charges.

Supply Chain – the supply chain department of XES.

Work Breakdown Structure – structure used to group all aspects or phases of a given project or organizational group and render them easily reportable.

## II. CORPORATE ORGANIZATION

### OVERVIEW OF COMPANY SYSTEM

Xcel Energy Inc., a Minnesota corporation, is a registered holding company. Xcel Energy directly owns four operating public utility subsidiaries that serve electric, natural gas, thermal, and propane customers in eight states. These four utility subsidiaries are Northern States Power Company, a Minnesota corporation ("NSPM"); Northern States Power Company, a Wisconsin corporation ("NSPW"); Public Service Company of Colorado, a Colorado corporation ("PSCo"); and Southwestern Public Service Company, a New Mexico corporation ("SPS"). Their collective service territories include portions of Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas, and Wisconsin. Xcel Energy's regulated businesses also include WestGas Interstate, Inc., an interstate natural gas pipeline company regulated by the FERC. Xcel Energy also has three transmission-only operating companies, Xcel Energy Southwest Transmission Company, LLC ("XEST") and Xcel Energy Transmission Development Company, LLC ("XETD"), which are regulated by the FERC, and Xcel Energy West Transmission Company, LLC ("XEWT").

Xcel Energy's non-regulated subsidiaries include Eloigne Company; which holds investments in rental housing projects that qualify for low-income tax credits, Capital Services, LLC; which provides equipment for construction of renewable energy generation facilities for other subsidiaries, Venture Holdings; which invests in limited partnerships, including EIP funds with portfolios of investments in energy technology companies, and Nicollet Project holdings; which invests in Minnesota community solar gardens.

Xcel Energy owns the following additional direct subsidiaries, some of which are intermediate holding companies with additional subsidiaries: Xcel Energy Wholesale Group Inc., Xcel Energy Markets Holdings Inc., Xcel Energy International Inc., Xcel Energy Ventures Inc., Xcel Energy Retail Holdings Inc., Xcel Energy Communications Group Inc., Xcel Energy WYCO Inc., Xcel Energy Transmission Holding Company, LLC, Nicollet Holdings Company, LLC, Xcel Energy Nuclear Services Holdings, LLC, and Xcel Energy Services Inc. Xcel Energy and its subsidiaries collectively are referred to as Xcel Energy Inc., and many do business under the Xcel Energy name. See the following pages for a complete legal entity organizational listing for Xcel Energy and its subsidiaries.

### LIST OF REGULATED & NON-REGULATED AFFILIATES (as of June 30, 2025)

**Xcel Energy Inc.**
- Northern States Power Company, a Minnesota corporation
  - Crowned Ridge Interconnection Company
  - NSP Nuclear Corporation
  - Private Fuel Storage LLC
  - United Power and Land Company
- Northern States Power Company, a Wisconsin corporation
  - Chippewa and Flambeau Improvement Company
  - Clearwater Investments, Inc.
    - Shoe Factory Holding LLC

Public Service Company of Colorado, a Colorado corporation**
- 1480 Welton, Inc.
- Beeman Irrigating Ditch and Milling Company
- Consolidated Extension Canal Company
- East Boulder Ditch Company
- Fisher Ditch Company
- Gardeners Mutual Ditch Company
- Green and Clear Lakes Company
- Hillcrest Ditch and Reservoir Company
  - Las Animas Consolidated Canal Company
- P.S.R. Investments, Inc.
- United Water Company

Southwestern Public Service Company, a New Mexico corporation
Nicollet Holdings Company, LLC
- Capital Services, LLC
- Nicollet Land Services, LLC

Nicollet Project Holdings, LLC
- Nicollet Projects I, LLC
  - Betcher CSG LLC
  - Foreman's Hill CSG LLC
  - Grimm CSG LLC
  - Heyer CSG LLC
  - Huneke CSG LLC
  - Johnson I CSG LLC
  - Johnson II CSG LLC
  - Krause CSG LLC
  - RJC I CSG LLC
  - RJC II CSG LLC
  - Scandia CSG LLC
  - School Sisters CSG LLC
  - Webster CSG LLC
- Nicollet Projects II, LLC

WestGas InterState, Inc.
Xcel Energy Communications Group Inc.
- Seren Innovations, Inc.*

Xcel Energy Foundation
Xcel Energy International Inc.*
Xcel Energy Markets Holdings Inc.
- e prime, inc.*
- Young Gas Storage Company Ltd.

Xcel Energy Nuclear Services Holdings, LLC
- Xcel Energy Nuclear Services Idaho, LLC
- Xcel Energy Nuclear Services Oregon, LLC

Xcel Energy Retail Holdings Inc.
- Reddy Kilowatt Corporation

Xcel Energy Services Inc.
Xcel Energy Transmission Holding Company, LLC

- Xcel Energy Southwest Transmission Company, LLC
- Xcel Energy Transmission Development Company, LLC
  - Xcel Energy Acorn Transmission, LLC
  - Xcel Energy Birch Transmission, LLC
- Xcel Energy West Transmission Company, LLC

Xcel Energy Venture Holdings, Inc.
- Energy Impact Fund Investment LLC
- Xcel Energy Investments, LLC

Xcel Energy Ventures Inc.
- Eloigne Company
  - Bemidji Townhouse LP
  - Chaska Brickstone LP
  - Crown Ridge Apartments LP
  - Cottage Court LP
  - Edenvale Family Housing LP
  - Fairview Ridge LP
  - Farmington Family Housing LP
  - Farmington Townhome LP
  - J&D 14-93 LP
  - Lauring Green LP
  - Links Lane LP
  - Lyndale Avenue Townhomes LP
  - Mahtomedi Woodland LP
  - Mankato Townhomes LLP
  - Marvin Garden LP
  - Moorhead Townhomes LP
  - Park Rapids Townhomes LP
  - Rochester Townhome LP
  - Rushford Housing LP
  - Safe Haven Homes, LLC
  - Shade Tree Apartments LP
  - Shakopee Boulder Ridge LP
  - Shenandoah Woods LP
  - St. Cloud Housing LP
  - Tower Terrace LP

Xcel Energy Wholesale Group Inc.*
- Quixx Corporation*
  - Quixx Carolina, Inc.*
  - Quixxlin Corp.*

Xcel Energy WYCO Inc.
- WYCO Development, LLC

* Company is being classified in discontinued operations.
** Minority-ownership ditch and water companies have been excluded.

# III. DESCRIPTION OF SERVICES

## OVERVIEW

This section provides a description of NSPM's regulated services and non-regulated business activities. Each description identifies the types of costs associated with the service or business activity, and identifies the business area or department which offers the service.

## REGULATED SERVICES

### ELECTRIC UTILITY

#### *Electric – Residential*

Residential electric service represents the provision of electric service to residential customers within the NSPM service territory. Costs associated with this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

#### *Electric – Commercial and Industrial*

Commercial and industrial electric service represents the provision of electric service to commercial and industrial customers within the NSPM service territory. Costs associated with this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

#### *Electric – Street Lighting*

Street lighting electric service represents the provision of electric service to public authorities for lighting streets, highways, parks and other public places, or for traffic or other signal system service through Company-owned or customer-owned lighting equipment. Costs associated with this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

#### *Electric – Other Sales to Public Authorities*

Other sales to public authorities' electric service represent the provision of electric service to public authorities under special agreements or contracts. Costs associated with this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

### *Electric - Resale*

Resale electric service represents the provision of electric service to NSPM wholesale customers or public authorities for resale to end-user customers or to power marketers. Costs associated with this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, or through facilities owned by third parties, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

### *Electric - Interdepartmental*

Interdepartmental electric service represents the provision of electric service to NSPM company facilities at tariff rates. Costs associated with providing this service relate to the generation or purchase and delivery of electricity through Company-owned transmission and distribution facilities, primarily fuel or purchased power costs, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Electric Utility.

### *Off-System Electric Sales*

NSPM sells electricity not required to serve its native load to off-system customers. Costs related to this activity can include fuel and purchased power costs. The revenues associated with these sales reside in FERC account 447, Sales for Resale-Electric. The costs related to this activity reside in FERC accounts 501, Fuel-Steam Generation; 555, Purchased Power; and 565, Transmission of Electricity by Others. In addition, the Company may allocate production O&M and transmission costs based on a percentage of overall sales relative to the type of off-system sales. These costs reside within the NSPM Electric Utility.

## OTHER ELECTRIC OPERATING REVENUE

### *Rent from Electric Property*

Rent from electric property results from the leasing of NSPM owned utility property not currently utilized for the provision of regulated services to non-affiliated third parties. Costs related to this service are primarily A&G costs associated with customer billings, as well as rental contract renewals. The revenue associated with the rentals resides in FERC account 454, Rent from Electric Property.

### *Interchange Agreement*

The electric production and transmission costs of the entire NSP System are shared by NSP-Minnesota and NSP-Wisconsin. A FERC-approved Interchange Agreement between the two companies provides for the sharing of all generation and transmission costs of the NSP System based upon demand and energy ratios reflecting usage by the respective companies. The costs associated with this agreement reside in FERC account 557, Other Power Supply Expenses; and FERC 565, Transmission of Electricity by Others. The revenues reside in FERC account 456.1, Revenue from Transmission of Electricity of Others.

### *Joint Operating Agreement*

The Joint Operating Agreement is a margin sharing agreement associated with proprietary energy trading activities. Revenues are recorded in FERC 456, Other Electric Revenues.

### *Miscellaneous Electric Revenue*

In addition to the services detailed above, there are various activities that cannot be accounted for elsewhere, such as utility locating services, scrap metal sales, WindSource, customer connections, and refuse derived fuel incentive. These revenues are recorded in FERC account 456, Other Electric Revenues.

## GAS UTILITY

### *Gas - Residential*

Residential gas service represents the provision of natural gas service to residential customers within the NSPM service territory. Costs associated with this service relate to the purchase and delivery of gas through Company-owned facilities, primarily purchased gas, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Gas Utility.

### *Gas – Commercial and Industrial*

Commercial and industrial gas service represents the provision of natural gas service to commercial and industrial customers within the NSPM service territory. Costs associated with this service relate to the purchase and delivery of gas through Company-owned facilities, primarily purchased gas, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Gas Utility. The table below shows the various rate classes within commercial and industrial gas services.

| Rate Class | Maximum Requirements – Daily Therms | Maximum Requirements – Annual Therms |
|---|---|---|
| Small commercial | Less than 500 | Less than 6,000 |
| Large commercial | Less than 500 | Greater than 6,000 |
| Small demand billed commercial* | Less than 500 | |
| Large demand billed commercial* | Greater than 500 | |

* Upstream demand costs are billed based on the highest one-day usage in the customer's history.

### *Gas – Interruptible*

Interruptible gas service represents the provision of natural gas service to interruptible customers within the NSPM service territory. Interruptible service is subject to curtailment when either additional upstream pipeline or local distribution capacity is needed to ensure service to firm customers. Costs associated with this service relate to the purchase and delivery of gas through Company-owned facilities, primarily purchased gas, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Gas Utility. The table below shows the various rate classes within interruptible gas service.

| Rate Class | Maximum Requirements – Daily Therms |
|---|---|
| Small interruptible | Less than 2,000 |
| Medium interruptible | Greater than 2,000 and less than 50,000 |
| Large interruptible | Greater than 50,000 |

### *Gas – Large Firm Transportation*

Large firm gas transportation service represents the provision of gas delivery service on behalf of end-use customers, third-party suppliers or marketers whereby NSPM transports gas owned by others over NSPM's gas pipeline system. Costs associated with this service primarily include the facilities O&M and depreciation costs and A&G costs. These costs reside within the NSPM Gas Utility.

### *Gas – Interruptible Transportation*

Interruptible gas transportation service represents the provision of gas delivery service on behalf of end-use customers, third-party suppliers or marketers whereby NSPM transports gas owned by others over NSPM's gas pipeline system. Interruptible transportation gas service is subject to curtailment when either additional upstream pipeline or the local distribution capacity is needed to ensure service to firm customers. Costs associated with this service primarily include the facilities O&M and depreciation costs and A&G costs. These costs reside within the NSPM Gas Utility.

### *Gas – Negotiated Transportation*

Negotiated firm and interruptible gas transportation service (bypass customers) represents the provision of gas delivery service on behalf of end-use customers, third-party suppliers or marketers whereby NSPM transports gas owned by others over NSPM's gas pipeline system. Interruptible transportation gas service is subject to curtailment when either additional upstream pipeline or the local distribution capacity is needed to ensure service to firm customers. Costs associated with this service primarily include the facilities O&M and depreciation costs and A&G costs. These costs reside within the NSPM Gas Utility.

### *Gas – Interdepartmental*

Interdepartmental gas service represents the provision of natural gas service or gas transportation service to NSPM company facilities at tariff rates. Costs associated with providing this service relate to the purchase and delivery of gas through NSPM owned facilities, primarily purchased gas, facilities O&M and depreciation costs, and A&G costs. These costs reside within the NSPM Gas Utility.

### *Gas – Limited Firm*

Standby gas service represents on-system back-up propane service for interruptible service customers. Costs associated with this service primarily include propane purchases and the facilities O&M. These costs reside within the NSPM Gas Utility.

### *Gas – Daily Balancing Service*

Daily balancing gas service represents a service to transportation customers that allows them to remedy deviations between nominated and delivered gas and gas consumed by the transportation customer. Costs associated with this service primarily include upstream pipeline costs. These costs reside within the NSPM Gas Utility.

## OTHER GAS REVENUE

### *Miscellaneous Gas Revenue*

Various services are provided that cannot be accounted for elsewhere such as propane transportation charges and bundled sales. These revenues are recorded in FERC account 495, Other Gas Revenues.

## COMMON ELECTRIC AND GAS REVENUE

### *Late Payments Fees/Miscellaneous Service Revenues*

Revenues from the additional charges imposed because of customers failure to pay their bill by specified due date are recorded into FERC account 450, Electric Forfeited Discounts; and FERC account 487, Gas Forfeited Discounts. Miscellaneous customer related revenue, such as service connections and returned check charges, are recorded in FERC account 451, Miscellaneous Electric Service Revenue; and FERC account 488, Miscellaneous Gas Service Revenues.

### *CIP Incentives*

The CIP Incentive is a mechanism established by an April 7, 2000 Order of the Commission that provides utilities with an incentive to increase cost-effective utility investment in conservation improvement programs beyond the spending levels required by Minnesota Statute. The revenues associated with the CIP incentives are identified by unique accounts and are recorded in FERC account 456, Other Electric Revenues; and FERC 495, Other Gas Revenues. An adjustment is made to remove these revenues from our cost of service study and they do not impact our revenue requirements.

### *ConnectSmart*

NSPM provides a service for customers moving into or across the region to set up utility service and other subscription services to their homes (e.g., newspaper, local and long-distance telephone, cable TV, etc.). NSPM, through its call center, receives telephone requests for this service, and sends these requests, for a fee, to AllConnect (a third-party contractor) for the coordination of installation of services. Costs related to this activity include direct charges for labor, materials and outside services associated with the service provided. In addition, payroll taxes, lost time, facilities, workers' compensation, incentive, pension, and benefit costs are allocated based on labor dollars, and labor-related overhead is applied to nonregulated business activities. The revenues and costs associated with this service are identified by unique accounts, and are recorded in FERC 417, Revenues from Nonutility Operations; and FERC 417.1, Expenses from Nonutility Operations. For rate making purposes, in the event this service experiences revenues in excess of direct expenses, an adjustment is made to credit the net impact in FERC 456, Other Electric Operating Revenues, to reflect the benefit of this service to the utility customers.

### *Hazardous Waste Disposal*

NSPM has a Hazardous Waste consolidation facility at Chestnut Service Center in Minneapolis, Minnesota. The facility accepts and consolidates hazardous and specially-regulated waste materials from generating assets, service centers, substations, office buildings, and field operations projects in both NSPM and NSPW service territories. This facility ensures the wastes are properly characterized aggregated and consolidated at approved, permanent and appropriately licensed waste disposal facilities. This facility is also the central collection point for any PCB contaminated electrical equipment.

### *Empower Resiliency*

Empower Resiliency is a program with the purpose of providing resiliency services to customers. At the Company's discretion, and except as otherwise provided in the tariff, these services may include any combination of battery energy storage systems and on-site generation assets. In addition, payroll taxes, lost time, facilities, workers' compensation, incentive, pension, and benefit costs are allocated based on labor dollars. The revenues and costs associated with this service are identified by unique accounts, and are recorded in FERC 451, Miscellaneous Service Revenues; FERC 910, Miscellaneous Customer Service and Informational Expenses; FERC 408.1, Taxes Other Than Income Taxes; FERC 925, Injuries and Damages; and FERC 926, Employees Pensions and Benefits.

## NON-REGULATED BUSINESS ACTIVITIES

The following business activities have been approved by the Commission as non-regulated business activities. Detailed descriptions of each of the non-regulated business activities are provided in this section.

### *HomeServe Commissions*

The terms of the HomeServe US Repair Management Corp. ("HomeServe") purchase of Xcel Energy's HomeSmart business in the fourth quarter of 2023 went into effect in March of 2024 (HomeSmart offered resources for the repair, replacement and maintenance of major appliances and systems in customers' homes. This includes service plans to cover certain appliances, sewer and plumbing issues; heating, ventilating and air conditioning (HVAC) systems; replacement assistance coverage; and preventive maintenance. HomeSmart also sells and installs HVAC systems and water heaters). Pursuant to the terms of the sale, HomeServe will pay Xcel Energy a percentage commission of new customer plan charges, as well as certain new plan charges, as part of a revenue sharing mechanism and HomeServe will pay Xcel Energy a fixed amount per each customer bill as part of a billing reimbursement plan due to Xcel Energy's continued billing support. Costs related to these activities include direct and indirect charges for labor associated with the services provided. In addition, payroll taxes, lost time, and pension and benefit costs are allocated based on labor dollars. The revenues and costs associated with HomeServe are identified by unique accounts and are recorded in FERC 417, Revenues from Nonutility Operations; and FERC 417.1, Expenses from Nonutility Operations.

### *Customer Owned Street Lighting Maintenance*

NSPM supplies maintenance services for communities that own their own street light systems. Maintenance service for customer owned street light systems is limited to the fixture service only; and ranges from full fixture service to partial fixture service where the customer provides the material necessary to repair the streetlight. The customer is responsible for all other repairs and replacements under the "Non-regulated Customer Owned Street Maintenance" service. Costs related to this activity include labor and materials associated with the service provided. In addition, payroll taxes, lost time, and pension and benefit costs are allocated based on labor dollars, and a labor related overhead are applied to non-regulated business activities. The revenues and costs associated with this service are identified by unique accounts and are recorded in FERC 417, Revenues from Nonutility Operations; and FERC 417.1, Expenses from Nonutility Operations. See Docket E-002/M-92-614 for the Commission order to treat this service as non-regulated.

### *Sherco Steam Sales to Liberty Paper Inc.*

NSPM supplies steam from the Sherburne County Generating Station to Liberty Paper, Inc. ("LPI") in order to meet LPI's thermal energy needs. Costs related to this activity include labor and materials associated with the service provided. In addition, payroll taxes, lost time, and pension and benefit costs are allocated based on labor dollars, and a labor-related overhead is applied to nonregulated business activities. The revenues and costs associated with this service are identified by unique accounts, and are recorded in FERC 417, Revenues from Nonutility Operations; and FERC 417.1, Expenses from Nonutility Operations which are excluded for ratemaking purposes. See Docket E002/M-19-663 in reference to Docket E002/M-93-1253 for the Commission order to treat this service as non-regulated. In addition to steam services, LPI takes electric and natural gas services from NSPM which are tariffed services provided at tariffed rates.

# IV. TRANSACTIONS WITH AFFILIATES

## OVERVIEW

NSPM directly incurs and pays for the majority of its costs, there are, however, services provided to NSPM by other affiliates within the Xcel Energy system of companies. In addition, NSPM provides a limited amount of operations, maintenance, and management advisory services to its affiliates. NSPM has numerous Affiliated Interest Agreements that have been approved by the Commission.

The sections below separately detail the nature and terms of transactions for services and asset transfers provided by NSPM to its affiliates, as well as services and asset transfers provided to NSPM by each of its affiliates. This section includes descriptions of affiliate transactions only and does not include convenience payments.

The cost allocation methodologies under which the Service Company costs are assigned and allocated are set forth in the service agreement, and while they are not the subject of this NSPM CAAM, they are included in this section to provide as complete a picture as possible of all affiliate transactions. The NSPM Service Agreement is reviewed and filed annually with the Commission. The last annual filing was submitted in Docket E,G002/AI-25-245 on May 30, 2025. NSPM's affiliate transactions consist primarily of transactions with the Service Company for administrative, management, accounting, legal, engineering, environmental, and other support services.

## Terms of Transactions

*Tariff Rate* – the price charged to customers under applicable tariffs on file with federal or state regulatory commissions. Tariff rates are used for transactions with affiliates involving the provision of regulated services.

*Fully Distributed Cost* – the term fully distributed cost means that transactions billed include all direct and indirect costs, including overheads. Affiliate transactions billed by NSPM include labor related overheads and a working capital fee when appropriate. This method of assigning and allocating costs to these affiliate transactions ensures that the payments to or by NSPM are reasonable and have not resulted in any ratepayer subsidization. In the table below, fully distributed cost may also refer to a price established in a separate Affiliated Interest Agreement.

NSPM applies a labor related overhead to services provided by NSPM to affiliates and also applies a working capital fee on services NSPM provides to non-NSPM company affiliates. Both the labor related overhead and the working capital fees are discussed in Section VII.

The remainder of this section is detailed by affiliate. Affiliates may be listed under the "Services Provided by NSPM to Affiliates" section and/or the "Services Provided by Affiliates to NSPM" section. The details relating to the nature, frequency, and terms of the affiliate transactions are itemized for NSPM and each affiliate.

## SERVICES PROVIDED BY NSPM TO AFFILIATES

| Nature of Transactions | Terms |
|---|---|
| ***NSPW*** | |
| *O&M* – production, decommissioning, and transmission costs associated with the Interchange Agreement (FERC Docket No. ER15-1575-000). | Fully distributed cost |
| *SCADA and Gas Dispatch* – sharing of SCADA costs in accordance with Docket G-002/AI-94-831. | Fully distributed cost |
| *Materials and Supplies* – materials and supplies, including any associated freight, purchase loadings, and warehouse loadings. | Fully distributed cost |
| *Miscellaneous* – miscellaneous other charges, including labor, associated loadings, and lease costs. | Fully distributed cost |
| ***PSCo*** | |
| *Materials and Supplies* – materials and supplies, including any associated freight, purchase loadings, and warehouse loadings. | Fully distributed cost |
| *Joint Operating Agreement* – margin sharing associated with proprietary energy trading activities. | Fully distributed cost |
| *Miscellaneous* – miscellaneous other charges, including labor, associated loadings, and lease costs. | Fully distributed cost |
| ***SPS*** | |
| *Materials and Supplies* – materials and supplies, and any associated freight, purchase loadings, and warehouse loadings. | Fully distributed cost |
| *Joint Operating Agreement* – margin sharing associated with proprietary energy trading activities. | Fully distributed cost |
| *Miscellaneous* – miscellaneous other charges, including labor and associated loadings and lease costs. | Fully distributed cost |

*Xcel Energy Inc.*

| | |
|---|---|
| *Miscellaneous* - miscellaneous other charges, including 401(k) match and a dividend on common stock. | Fully distributed cost |

## SERVICES PROVIDED BY AFFILIATES TO NSPM

| Nature of Transactions | *Terms* |
|---|---|
| *Xcel Energy Services Inc.* | |
| *Executive Management Services** – represents charges for executive management services, including, but not limited to, officers of Xcel Energy. | Fully distributed cost |
| *Investor Relations** – provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting. | Fully distributed cost |
| *Internal Audit & Risk** – reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks and trading risks. | Fully distributed cost |
| *Legal** – provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate, and other legal matters. | Fully distributed cost |
| *Claims Services** – provides claims services related to casualty, public, and company claims. | Fully distributed cost |
| *Corporate Communications** – provides corporate communications, speech writing, and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy system. Manages and tracks all charitable contributions made on behalf of the Xcel Energy system. | Fully distributed cost |
| *Employee Communications** – develops and distributes communications to employees. | Fully distributed cost |
| *Corporate Strategy & Business Development** – facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance, and evaluates | Fully distributed cost |

| | |
|---|---|
| business opportunities. Develops and facilitates process improvements. | |
| *Government Affairs** – monitors, reviews and researches government legislation. | Fully distributed cost |
| *Facilities & Real Estate** – operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment. | Fully distributed cost |
| *Facilities Administrative Services** – includes but is not limited to the functions of mail delivery, duplicating, and records management. | Fully distributed cost |
| *Supply Chain**– includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting, and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts. | Fully distributed cost |
| *Supply Chain Special Programs** – develops and implements special programs utilized across Xcel Energy such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals. | Fully distributed cost |
| *Human Resources** – establishes and administers policies related to employment, compensation, and benefits. Maintains HR computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general HR support services. | Fully distributed cost |
| *Finance & Treasury** – coordinates activities related to securities issuances, including maintaining relationships with financial institutions, cash management, investing activities, and monitoring the capital markets. Performs financial and economic analysis. | Fully distributed cost |
| *Accounting, Financial Reporting & Taxes** – maintains financial books and records. Prepares financial and statistical reports, tax filings, and ensures compliance with | Fully distributed cost |

| | |
|---|---|
| the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process. | |
| *Payment & Reporting** – processes payments to vendors and prepares statistical reports. | Fully distributed cost |
| *Receipts Processing** – processes payments received from customers of the operating companies and affiliates. | Fully distributed cost |
| *Payroll** – processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting, and compliance reports. | Fully distributed cost |
| *Rates & Regulation** – determines the operating companies' regulatory strategy, revenue requirements, and rates for retail and wholesale customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies. | Fully distributed cost |
| *Environmental Services & System Planning** – Responsible for long-term planning and integration for the generation, transmission, and distribution of electric and natural gas systems. Also, provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects. | Fully distributed cost |
| *Energy Supply Business Resources** – provides performance, specialists, and analytical services to the operating companies generation facilities. | Fully distributed cost |
| *Energy Markets Regulated Trading & Marketing** – provides electric trading services to the operating companies electric generation systems including load management, system optimization, and resource acquisition. | Fully distributed cost |
| *Energy Markets-Fuel Procurement** – purchases fuel for operating companies' electric generation systems (excluding nuclear). | Fully distributed cost |
| *Energy Delivery Marketing** – develops new business opportunities and markets the products and services for the Delivery business unit. | Fully distributed cost |

| | |
|---|---|
| *Energy Delivery Construction, Operations & Maintenance** – constructs, maintains, and operates electric and gas delivery systems. | Fully distributed cost |
| *Energy Delivery Engineering/Design** – provides engineering and design services in support of capacity planning, construction, operations, and materials standards. | Fully distributed cost |
| *Marketing & Sales** – provides marketing and sales services for the operating companies and affiliates for their electric and natural gas customers including strategic planning, segment identification, business analysis, sales planning, and customer service. | Fully distributed cost |
| *Customer Service** – provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center, and credit and collections. | Fully distributed cost |
| *Aviation Services** – provides aviation and travel services to employees. | Fully distributed cost |
| *Fleet** – oversees the Utility subsidiaries Fleet Services business unit. | Fully distributed cost |
| *Business Systems & Innovation** – provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration, and systems management. In addition, Business Systems & Innovation acts as a single point of contact for delivery of all information technology services to Xcel Energy. Business Systems & Innovation partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace. | Fully distributed cost |
| *Wildfire Mitigation** – Provides support for all Xcel Energy functions to help plan for and mitigate wildfire risk to ensure customer and Xcel Energy employee safety. | Fully distributed cost |

** Corporate Governance activities within this service function will be allocated using the average of the revenue ratio with intercompany dividends assigned to Xcel Energy Inc., full time equivalent hours including overtime, and the total assets ratio including Xcel Energy Inc.'s per book assets.*

# V. COST ASSIGNMENT AND ALLOCATION PROCESS

## OVERVIEW

This section of the CAAM provides an overview of the cost assignment and allocation principles of NSPM and the accounting processes within the monthly accounting close and within the general ledger, including both system generated processes and manual processes, used to assign and allocate costs between the regulated services and the non-regulated business activities of NSPM. Each major step of the accounting process is identified in the following paragraphs and will be explained in conjunction with the process flowchart of this section. Each major step results in costs being either directly assigned or allocated to regulated services and non-regulated business activities. The result of applying these principles is that each company, utility, jurisdiction and non-regulated business activity pays the full cost for any service provided to support their respective operations.

Many of the assignment and allocation processes occur in the Service Company or are administered by Service Company personnel. As noted in the Introduction, the Service Company provides services “at cost” to the Utility subsidiaries and affiliate companies.

The processes discussed in this section are integral to the financial books and records of NSPM and are included to provide a comprehensive picture.

## COST ASSIGNMENT AND ALLOCATION PRINCIPLES

NSPM applies the following cost assignment and allocation principles. The cost assignment and allocation approach is a fully distributed costing method as approved by the Commission in NSPM’s electric and gas rates cases (E002/GR-92-1185, G002/GR-92-1186 and G002/GR-97-1606) and the Commission September 28, 1994 Order in Docket G, E-999/CI-90-1008.

The hierarchical cost assignment and allocation principles are:

I. Tariffed rate shall be used to value tariffed services provided.
II. Costs shall be directly assigned to either regulated or non-regulated business activities whenever possible.
III. Costs that cannot be directly assigned to either regulated or non-regulated activities or jurisdictions will be described as common costs. Common costs shall be grouped into homogeneous cost categories designed to facilitate the proper allocation of costs between regulated and non-regulated activities or jurisdictions in accordance with the following principles:
    a. Cost causation. All activities or jurisdictions that cause the cost to be incurred shall be allocated a portion of that cost. Direct assignment of a cost is preferred to the extent that the cost can be traced to the specific activity or jurisdiction.
    b. Variability. If the fully distributed cost study indicates a direct correlation exists between a change and the incurrence of a cost and cost causation, that cost shall be allocated based upon that relationship.
    c. Traceability. A cost may be allocated using a measure that has a logical or observable correlation to all the activities or jurisdictions that case the cost to be incurred.

d. Benefit. All activities or jurisdictions that benefit from a cost shall be allocated a portion of that cost.

IV. Residual. The residual of costs left after either direct or indirect assignment or allocation shall be allocated based upon an appropriate general allocator as defined in this CAAM.

V. Whenever neither direct or indirect measures of cost causation can be found, the cost category shall be allocated based upon a general allocator.

A significant portion of NSPM's costs are incurred directly by NSPM. These costs are directly assigned or allocated based on the above principles to utilities, jurisdictions, and to non-regulated business activities. Utility allocations are described in Section VII and jurisdictional allocations are described in Section IX.

## ACCOUNTING PROCESSES

The flowchart in this section provides a high-level overview of the major steps in the monthly accounting close process and the systems used to generate the financial books and records of NSPM. Several steps within the process have allocations imbedded within and are included to provide as much information as possible to promote an understanding of where direct assignment or allocations can occur.

### Feeder Systems (Addendum A, Flowchart Item 1)

The monthly close process initially starts with the collection of accounting information from feeder systems as identified in Item 1 on the flowchart. Feeder systems gather accounting transactions on a daily, weekly or monthly basis and 'feed,' or pass, those accounting transactions to the general ledger within SAP.

### SAP General Ledger System Processing (Addendum A, Flowchart Item 2)

Journal entries to record monthly transactions such as interest accruals, amortizations, cash transactions, receivables setup, etc., are entered directly into SAP using the SAP journal entry input screens. These journal entries also include the journal entries to record overheads on non-regulated business activities (see Section VII).

Once all the transactions from the processes identified above are recorded in SAP, there are multiple processing steps within SAP, including settlements and assessments. These processes affect regulated services and non-regulated business activities and are detailed separately on the following pages.

## Settlements and Assessments (Addendum A, Flowchart Item 3)

All costs identified as billable are processed using the settlement and/or assessment processes of the SAP system. These processes bill transactions from the legal entity that performed the service to the legal entity that received or is responsible for the service. This process captures:

- Service Company direct and allocated billings of all its costs to affiliated interests;
- Direct billings between a utility subsidiary and an affiliated interest other than the Service Company which are often referred to as intercompany charges or billings; and
- Direct billings between business areas within a legal entity.

For example, the settlements process will settle Service Company labor to the affiliated company if the labor is a direct charge or it will send the charges to an ACC if the charge is to be allocated. The assessment process will then clear the ACC by allocating the charges using an approved method of allocation to the legal entities to which the employee is providing services along with the appropriate labor and labor-related overheads. Transactions between affiliates (excluding XES) are direct charges, as are charges from one business area to another business area (for example, charges from the Distribution Operations business area to the Energy Supply business area). After the settlements and assessment processes are completed, all costs reside on the books of the legal entity ultimately responsible for the charge in the appropriate FERC account.

## Business View (Addendum A Flowchart Item 4)

The business view of the SAP general ledger provides a GAAP view of the accounting transactions necessary to prepare SEC financial statements and other GAAP financial reports as well as the information necessary for the business areas to manage the business.

## FERC Account Data Prior to Utility and Non-Regulated Allocations (Addendum A Flowchart Item 5)

At the same time that the business view is available, the pre-allocated FERC view of the SAP general ledger is available. The following utility allocations and non-regulated allocations are necessary for common costs to be allocated to the gas, electric, and non-regulated businesses.

## Utility Allocations and Non-regulated Allocations (Addendum A, Flowchart Item 6)

NSPM's costs are directly assigned or allocated to electric, gas, or non-regulated business activities whenever possible. When charges can't be directly assigned, they are charged as common and then allocated to the electric and gas utilities using utility allocations. Common utility costs are grouped into two categories: (1) O&M utility allocations and (2) rate base and non-O&M utility allocations. These allocations are performed monthly within the SAP system and are described in Section VII.

In addition to the costs directly assigned to the non-regulated business activities from the Service Company and within NSPM, the non-regulated business activities are charged with a labor related overhead and an allocation of corporate costs. See Section VIII for additional information related to non-regulated business activities.

All costs that can be directly assigned or allocated to the electric or gas utility operations or to the non-regulated business activities are appropriately accounted for in the books and records of NSPM before jurisdictional allocations occur. A study is performed annually, and as required for rate case filing purposes, to identify all rate base and non-O&M costs that are common among the jurisdictions of NSPM (Minnesota, North Dakota, and South Dakota). These costs are then allocated among the jurisdictions according to the allocations described in Section IX.

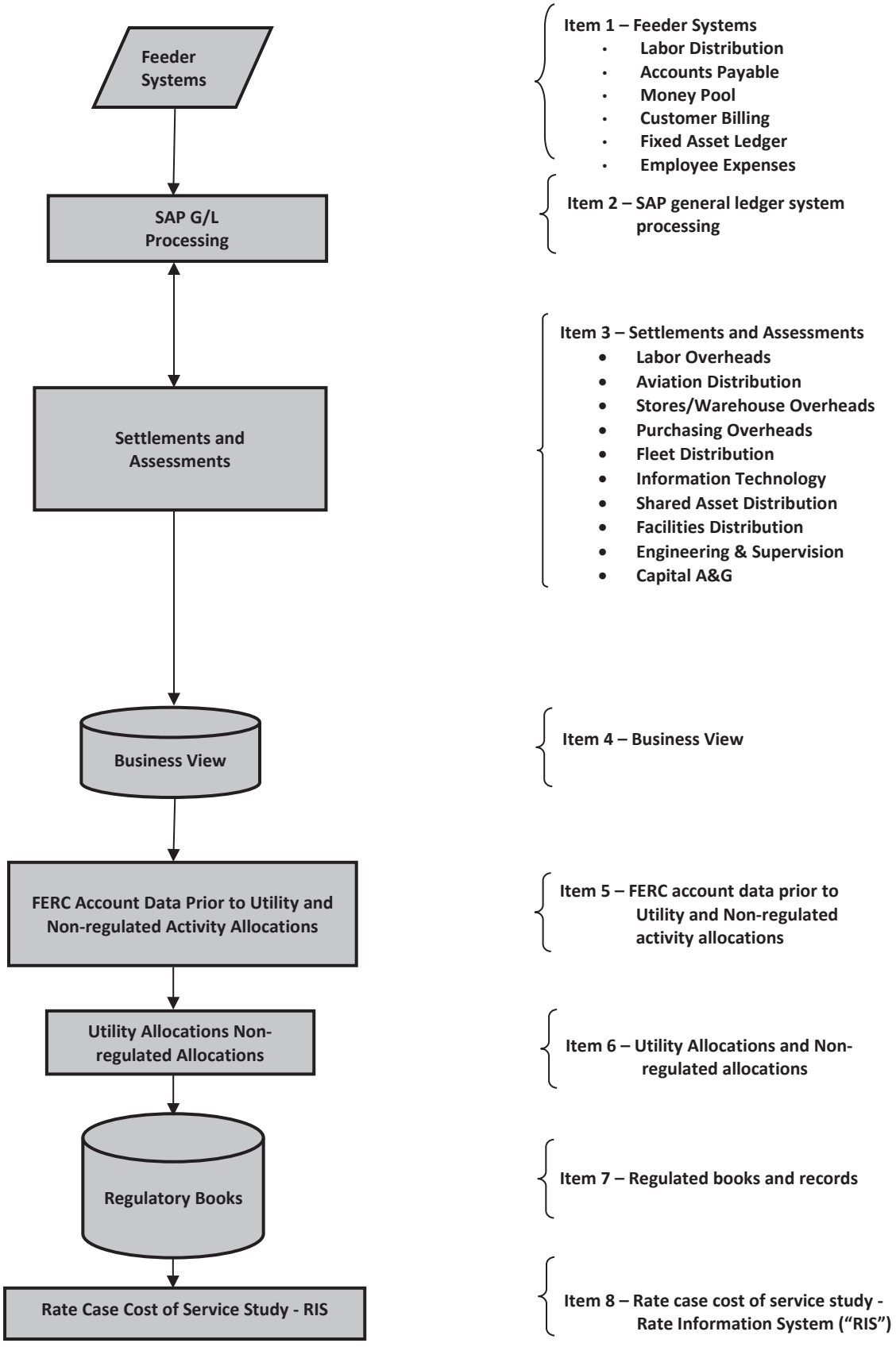
## Regulatory Books and Records (Addendum A Flowchart Item 7)

After all the above processes are complete, the result is the FERC financial books and records of NSPM.

## Rate Case Cost of Service Study (Addendum A Flowchart Item 8)

The FERC books and records are the starting point for the preparation of a cost of service study that will be used in a gas or electric rate case filing.

# ADDENDUM A – PROCESS FLOWCHART



## Feeder and Overhead System Detail

### LABOR DISTRIBUTION

| | |
|---|---|
| Description: | Wages and salaries of employees engaged in work on behalf of regulated services and non-regulated activities are assigned or allocated based on positive time reporting through the labor distribution system. Positive time reporting requires each employee to report the hours worked for each day using one-tenth of an hour or greater increments, while providing for aggregation of time when appropriate. Under this method, employees' time is reported on the basis of accounting codes related to specific operating utility companies or affiliates and/or functional services. |
| Provider of Service: | Service Company<br>Operating companies or affiliates |
| User of Service: | Operating companies or affiliates, including utility operations, jurisdictions, and non-regulated activities within an operating company. |
| Method of Allocation: | All bi-weekly and semi-monthly employees' labor expenses are recorded by company personnel on time sheets and entered into the time reporting system, which feeds into the labor distribution system. The employee submitting the time sheet is responsible for coding the internal order numbers to charge the appropriate operating companies or affiliates, business function (e.g., capital, operations, maintenance, clearing, purchasing and/or warehousing, etc.) and regulated or non-regulated operations.<br><br>Time must be completed and submitted for review and approval by certain cut-off dates established by the Payroll Department. The employee's supervisor or manager is responsible for reviewing and approving all time entries and verifying that the employee is using the correct accounting.<br><br>The labor distribution system used for bi-weekly employees includes the distribution of actual paid and accrued labor dollars/hours to the internal order number charged based on the hours worked. Accrual of payroll is to facilitate the recording of labor costs on a calendar month basis. This includes any reversal of the prior month's accrual. The charge of labor dollars for semi-monthly employees to internal order numbers is based on a distribution of the monthly salary of the employee. |

## LABOR OVERHEADS

Description:

Employee labor overhead costs are captured in the following categories:

Benefit employees:

- Non-productive labor costs (vacation, sick, holiday, etc.)
- Pension and Insurance (401k match, retirement related consulting, active healthcare, life and LTD insurance premiums, miscellaneous benefit programs and LTD benefits for former or inactive employees before retirement, as well as the service cost portion of qualified pension, non-qualified pension and retiree healthcare)
- Benefits Non-Service (non-service cost portion of qualified pension, non-qualified pension and retiree healthcare)
- Workers compensation (FAS 112 actuarial cost and insurance premiums)
- Incentives (Incentives are a labor overhead for Service Company, PSCo, and SPS. Incentives for NSPM and NSPW are charged directly to FERC accounts 920 and 517).
- Payroll taxes (FICA, FUTA, SUTA)
- Labor and expense of the Human Resource Service Center

Non-Benefit employees:

- Payroll taxes (FICA, FUTA, SUTA)
- Workers compensation

Provider of Service:

Service Company
Operating companies or affiliates

User of Service:

Operating companies or affiliates, including utility operations, jurisdictions, and non-regulated activities within an operating company.

Method of Allocation:

Labor overheads are allocated within a legal entity by calculating a separate loading rate for each cost category identified in the "Description" section above.

For each legal entity and each category, the costs are allocated based on a single-factor formula that is comprised of total estimated costs for the category divided by total estimated productive labor costs.

Legal entity specific rates for each category are applied to productive labor charges as appropriate for each resource type. Labor loadings applied to labor charges follow the labor charges. For example, Service Company labor overheads follow Service Company labor and NSPM labor overheads follow NSPM labor.

## AVIATION DISTRIBUTION

| | |
|---|---|
| Description: | The Aviation Services department in the Service Company is responsible for managing and operating the two corporate leased aircraft used by the Xcel Energy. Costs include: pilot salaries including labor overheads, O&M costs, lease costs, and A&G costs associated with managing the Aviation Services department. |
| Provider of Service: | Service Company |
| User of Service: | Service Company, operating companies or affiliates, including utility operations, jurisdictions, and non-regulated activities within an operating company. |
| Method of Allocation: | Aviation costs are allocated using the average of the Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc., Full Time Equivalent Hours Including Overtime, and the Total Assets Ratio including Xcel Energy Inc.'s per book assets.<br><br>Any spousal use of the aircraft must be approved and is billed to Xcel Energy Inc. |

## STORES/WAREHOUSE OVERHEAD

| | |
|---|---|
| Description: | Inventory warehousing costs, including labor, supervision, materials and supplies are allocated through pools to the business areas as an overhead on materials and supplies as materials and supplies are issued from/returned to a storeroom or warehouse. |
| Provider of Service: | Service Company<br>Operating companies |
| User of Service: | Operating companies or affiliates, including utility operations, jurisdictions, and non-regulated activities within an operating company. |
| Method of Allocation: | The overhead costs for inventory items as noted above and associated adjustments are accumulated within the Supply Chain warehouse ACC's. These accumulated overhead costs are allocated to material issuances/returns from the storeroom.<br><br>Costs are collected in ACC's on the Service Company and Operating Companies; then cleared using a warehouse overhead loading based on a costing sheet, cost element and AP document type criterion. |

## PURCHASING OVERHEAD

| | |
|---|---|
| Description: | The Supply Chain organization in the Service Company has the responsibility for distributing the corporate purchasing and contract services costs to the functional area(s) of the operating companies or affiliates along with the cost of the materials and supplies ordered. Purchasing costs are made up of activities such as developing requisitions, contracts and purchase orders to procure materials and services and manage supplier relationships, negotiating complex procurement agreements/contracts for strategic supplier partnerships and service contracts, monitoring supplier performance, and managing purchase records, supplier qualification records, supplier diversity program, and support, maintenance, and performance monitoring of key applications and metrics used throughout the purchasing process. The Supply Chain organization is supported by specific Human Resources personnel who assist with supplier qualification processes as well as by the Enterprise Security department who manages the Security Vendor Risk Assessment process. |
| Provider of Service: | Service Company<br>Operating companies |
| User of Service: | Service Company, operating companies and affiliates, including utility operations, jurisdictions, and non-regulated business activities within an operating company. |
| Method of Allocation: | Costs are collected in ACC's on the Service Company and the operating companies and cleared using an overhead loading based on costing sheet, cost element, and AP document type criterion. |

## FLEET DISTRIBUTION

| | |
|---|---|
| Description: | The Fleet Services department in the Service Company is responsible for managing the fleet assets owned by the operating companies. Fleet assets are vehicle units that are organized into fleet work centers, which group together vehicles similar in nature for a specific business function within an Operating Company.<br><br>The SAP Work Manager records the utilization of our fleet assets and allocates the cost to the business areas of operating companies and affiliates for the costs of using vehicles or associated equipment using fleet activity rates based on work centers.<br><br>Fleet costs included in the calculation of the monthly billing rate include: licensing taxes and fees, lease costs, material and labor costs for maintenance and repair, fuel, labor loadings, and overhead for overall management of the Fleet Services department that includes labor, facilities, insurance, utilities, computers, phones, and office supplies. |
| Provider of Service: | Service Company<br>Operating companies |
| User of Service: | Service Company, operating companies or affiliates, including utility operations, jurisdictions and non-regulated business activities within an operating company. |
| Method of Allocation: | Costs are collected in ACC's on the Service Company and operating companies which are cleared using an overhead fleet rate based on the weighted vehicle type to the respective business area. |

## INFORMATION TECHNOLOGY

| | |
|---|---|
| Description: | The Technology Services organization in the Service Company is responsible for managing the corporate IT assets and services of Xcel Energy. Technology Services bills out O&M and capital costs related to Xcel Energy's corporate IT equipment and services incurred internally, as well as costs incurred through third party vendors. Costs include system O&M, desktop services, phone service, servers, infrastructure costs, software, software licensing, system design and implementation, labor and labor overheads, etc. |
| Provider of Service: | Service Company |
| User of Service: | Service Company, operating companies, or affiliates, including utility operations, jurisdictions and non-regulated activities within an operating company. |
| Method of Allocation: | IT costs are charged through several different methods.<br><br>Costs are charged directly to the operating companies, affiliates, jurisdictions or non-regulated activities on the invoice, timesheet, expense report or other source document to the company(ies) benefiting from the service whenever possible.<br><br>If costs cannot be charged directly to an operating company, affiliate, jurisdiction or non-regulated activity, the costs are charged to the appropriate Service Company indirect ACC that will assign the costs using a cost causative method to the companies benefiting from the system, application, or service.<br><br>For costs that can be identified as benefiting a particular service function, those services would be charged to a Service Company indirect ACC using the approved allocation factor for that business area.<br><br>If an indirect ACC cannot be identified that would assign costs in a cost causative method, a new indirect ACC will be created. However, if the project will be in-serviced within one year and if O&M costs will be less than $250,000 in total for the project, an internal order will be used to assign costs using a cost causative method to the companies benefiting from the system, application, or service. |

## ACCOUNTS PAYABLE

Description:

The Payment and Reporting Department (Accounts Payable), in the Service Company, processes several types of documents for payment on behalf of the operating companies and affiliates. Accounts Payable uses SAP to process invoice payments associated with purchase orders, contracts, requests for payment (non-purchase orders, non-contract invoices) and employee payments, including per diem charges, suggestion system award payments and employee expense reimbursements.

The charges for goods, materials and services, which post directly to the general ledger of each operating company and affiliate, differ for each type of document.

Provider of Service:

Service Company

User of Service:

Service Company, operating companies and affiliates, including utility operations, jurisdictions, and non-regulated activities within an operating company.

Method of Allocation:

Within each operating company and affiliate, charges are directly assigned whenever possible. Charges may be distributed to multiple business functions or business areas based on the accounting code(s) on each document. If necessary, costs may be allocated using any surrogate measure that has a logical or observable correlation to the charges in the quantities sold, the services that caused the cost to be incurred or that benefited from the cost. The following are examples of some of the logical or observable correlations used to allocate costs contained on Accounts Payable documents:

- Quantity (units, count, etc.)
- Measurement or size (length, space, columnar inch, etc.)
- Volume (barrels, gallons, liters, etc.)
- Weight (ounce, pound, ton, etc.)
- Hours (hours of professional or contract services)
- Labor dollars (charge is in the same proportion as the labor hours of the department)
- Number of customers, meters, employees, etc.
- Revenue dollars
- Plant in service
- Square footage

## SHARED ASSETS DISTRIBUTION

| | |
|---|---|
| Description: | Shared assets are defined as capitalized assets that are owned by one legal entity but are used for the benefit of multiple entities. This would include land structures and improvements, office furniture and equipment, computer and communication equipment, and some software systems that are used by employees in the performance of their jobs. |
| Provider of Service: | Operating companies or affiliates |
| User of Service: | Service Company, operating companies and affiliates |
| Method of Allocation: | All allocations are billed through the Service Company and charged to a Service Company internal order that will assign the costs using a cost causative method to the companies benefiting shared assets. For IT related assets, the costs will be charged to the system application or service internal order. For facility assets, the costs will be charged to the respective Service Company facilities ACC that will assign the costs following employee labor. |

## FACILITIES DISTRIBUTION

| | |
|---|---|
| Description: | Facilities costs are assigned or allocated to the functional areas of operating companies and other affiliates who benefit from the use of the facilities. Depending on whether a building is used by one utility company or is a "shared" building, i.e., building used by employees of more than one operating company or affiliate, facility costs may include:<br><br>Single-utility facility:<br>The administrative property services labor and non-labor costs, utility expenses, maintenance costs for structures and systems, pro-rated share of property taxes (for owned buildings), and the rent and occupancy expenses (for leased buildings).<br><br>Shared facility:<br>Administrative property services labor and non-labor costs, utilities expenses, and the maintenance costs for structures and systems are captured. If the building is leased, the rent is included. If the building is owned, the carrying costs of the shared assets, such as the depreciation and a return on rate base, are included in the facilities' cost.<br><br>The Property Services department is responsible for the owned and leased facility. |
| Provider of Service: | Service Company or operating companies |
| User of Service: | Service Company, operating companies, and affiliates |
| Method of Allocation: | Costs for a single-utility facility are accumulated in the ACC of the company benefitting from the use of the building and are then allocated to functional FERC accounts based on the most recent quarter's labor charges.<br><br>Costs related to a shared facility, i.e., buildings used by employees of more than one operating company or affiliate, are first accumulated in ACC's specific to the shared facility and then distributed to each operating company and affiliate based upon the most recent quarter's labor for the specific employees located in each facility. Once costs are assigned to the appropriate company, they are then allocated to the functional FERC accounts based on the most recent quarter's labor charges. |

## MONEY POOL

| | |
|---|---|
| Description: | Through the Utility Money Pool ("UMP"), temporary surplus funds of Xcel Energy are available for short-term loans to other operating companies with cash needs. |
| Provider of Service: | Service Company |
| User of Service: | Operating companies |
| Method of Allocation: | An operating company can borrow from, and make loans to, the UMP, which is administered at cost by the Service Company. In addition, Xcel Energy Inc., the Holding Company, can deposit surplus funds into the UMP but cannot borrow from the UMP. Interest income or expense is charged or credited, as appropriate, to the UMP participants.<br><br>All charges are directly billed from the Service Company to the appropriate operating company.<br><br>NSPM petitioned for and received approval on the use of a UMP in Docket No. AI-04-100. |

## INCOME TAX EXPENSE DISTRIBUTION

| | |
|---|---|
| Description: | Income tax expense incurred by the Service Company. |
| Provider of Service: | Service Company |
| User of Service: | Service Company and all entities included in the Accounting, Reporting, & Tax – Corporate Governance allocator. |
| Method of Allocation: | Income tax expense incurred by the Service Company is allocated to all entities included in the Accounting, Reporting, & Tax – Corporate Governance allocator. |

## CUSTOMER BILLING

| | |
|---|---|
| Description: | NSPM bills customers for electric, gas, propane, and miscellaneous non-regulated activities through the customer billing system. |
| Provider of Service: | Operating companies |
| User of Service: | Operating companies, including utility operations, jurisdictions, and non-regulated activities. |
| Method of Allocation: | Costs related to customer billing are direct charged to specific operating companies whenever possible.<br><br>When costs cannot be directly assigned to a specific operating company, they are allocated based on the number of customers.<br><br>Non-regulated activities that use the customer billing system are allocated a customer accounting overhead based on revenue dollars. See Section VII. |

## ENGINEERING AND SUPERVISION ("E&S") OVERHEAD

| | |
|---|---|
| Description: | E&S costs are capitalized as construction overheads. E&S overheads are applied where it is not practical to direct charge the pay and expense of the engineers, surveyors, draftsmen, inspectors, first line management, and their assistants to construction. NSPM uses the E&S overhead allocation to charge these expenses to capital projects. |
| Provider of Service: | Operating companies and Service Company |
| User of Service: | Operating companies. |
| Method of Allocation: | Costs related to E&S are gathered in an ACC separately by functional class and utility (production, transmission, and distribution). The ACC's are fully allocated on a monthly basis to clear the balances to zero. These costs are sent to the fixed asset ledger and then are allocated to each eligible capital internal order based on current month charges and the calculated rate.<br><br>The fixed asset ledger tracks all capital projects and work order expenditures for Xcel Energy on a life-to-date basis. Once expenditures are recorded on the books of the appropriate legal entity, the fixed asset ledger system generates the overhead allocations, and if appropriate, AFUDC, which are then applied to the individual internal orders. In addition, the fixed asset ledger calculates monthly depreciation by legal entity and handles the transfer of work orders from FERC account 107, Construction Work in Progress; to FERC account 106, Completed Construction-Not Unitized; to FERC account 101, Utility Plant in Service. The transfer of non-utility costs is within FERC account 121, Non-Utility Property using sub accounts. |

## CAPITAL A&G

| | |
|---|---|
| Description: | A&G costs are capitalized as construction overheads. The overhead relates to all the personnel in the administrative office that work on construction to assure its continued operation but are not direct to any one project. A prime example is the payroll analyst whose responsibility it is to assure the construction labor receives its payroll checks. Because it is inefficient for these employees to direct charge all the work orders an overhead process is used to facilitate charging the capital work orders. |
| Provider of Service: | Operating companies and Service Company |
| User of Service: | Operating companies. |
| Method of Allocation: | Each operating company performs an A&G study every other year to review the time employees in certain administrative departments spend on capital work. A percent of payroll for these employees, based on the A&G study results is charged to an overhead allocating cost center, one-twelfth each month. The overhead cost center is allocated to each work order based on current month charges. |

# VI. UTILITY ALLOCATIONS

## OVERVIEW

NSPM's costs are directly assigned or allocated to electric, gas, or non-regulated activities whenever possible or charged as common and then allocated to the electric and gas utilities using utility allocations. Common utility costs are grouped into two categories: (1) O&M utility allocations and (2) rate base and non-O&M utility allocations. The O&M utility allocations are processed monthly within SAP and are explained below. The common rate base and non-O&M utility allocations are completed as part of an annual study and for rate case filing purposes which are explained below.

## O&M UTILITY ALLOCATIONS

### Introduction

Common O&M utility allocations are applied to common costs that are recorded in A&G (FERC accounts 920-935.3), customer accounting, and customer information and sales (FERC accounts 901-916). Table A in this section lists the NSPM allocation methodology applied to each FERC account or range of FERC accounts.

### Methodology

NSPM uses the following methods to allocate common O&M costs. These methods were developed to achieve the most cost causative relationship that each FERC account or range of FERC accounts has with electric and gas utility operations. The allocators used are as follows:

#### *Customer Allocator*

The customer allocator is used to allocate common utility costs in FERC accounts 901-903, and the non-commodity bad debt portion of FERC 904 and 905-916 among electric and gas operations. The allocation is based on the customer bill counts for the electric and gas utilities. The allocator used in the current year is developed based on the previous years' actual customer bill count.

#### *Revenue Allocator*

The revenue allocator is used to allocate common utility costs for commodity bad debt, recorded in FERC account 904, among electric and gas operations. The allocation is based on a rolling four-year average of actual electric and gas revenues. The allocator in the current year is developed based on the four previous years' actual operating revenues from the corporate income statement.

#### *Three-Factor Allocator*

The three-factor allocator is used to allocate common utility costs in FERC account ranges 920-924 and 928-935.3 among electric and gas utilities. The allocation is based on the weighted average of operating revenue, plant in service, and supervised O&M. The allocator used in the current year is developed based on the previous years' actual operating revenue, plant in service and supervised O&M.

### *Labor Allocator*

The labor allocator is used to allocate common utility costs in FERC accounts 925-926 to the electric and gas departments. The allocation is based on operating labor for the electric and gas utilities. The allocator used in the current year is developed based on the previous years' actual operating labor.

## RATE BASE AND NON-O&M UTILITY ALLOCATIONS

### Introduction

A study is performed annually, and for rate case filing purposes, to identify all rate base and non-O&M costs that are common among the utility operations of NSPM in order to allocate them to the electric and gas utilities.

### Methodology

NSPM uses the following methodology to allocate common rate base and non-O&M costs. These allocation factors were developed to achieve the most cost causative methodology based on the pool of costs being allocated. Table B in this section lists the methodology applied to specific pools of costs. The allocators used are as follows:

### *Three-Factor Allocator*

The allocation is based on the weighted average of operating revenue, plant in service, and supervised O&M. The allocator used in the current year is developed based on the previous years' actual operating revenue, plant in service and supervised O&M.

### *Computer Software Study*

A composite allocator is used to allocate common computer software rate base (plant) and non-O&M (plant related) costs among electric and gas utilities. Software assets and related costs are presented in a cost of service study using a single amount. A study of all computer software is done to determine how each individual software asset that is part of the single amount should be allocated. All individual allocations are summarized to create a single composite allocation that is then applied to the summarized computer software plant and plant related costs.

### *Transportation Study*

Individual allocators are used to allocate common transportation rate base (plant) and non-O&M (plant related) costs among electric and gas utilities. Transportation assets are reviewed to determine where vehicles are used and allocation factors are developed.

**Table A – O&M Utility Allocations**

| FERC Account | Allocation Method | Basis for Allocation Selection |
|---|---|---|
| | | |
| 901-916 (excluding commodity bad debt in FERC 904) | Customer Allocator | Customer bill counts are a reasonable methodology to use to allocate common customer accounting and customer information and sales costs recorded in FERC accounts 901-916 because these costs are customer related costs, e.g., credit and collection, customer accounting, bad debt, etc. |
| 904 (commodity bad debt portion) | Revenue Allocator | A revenue allocator is a reasonable methodology to allocate commodity bad debt because these costs have a cost-causative relationship to uncollectible utility revenues. |
| 920-924 | Three-factor Allocator | A three-factor allocation is reasonable because there is no single allocator that could provide a cost-causative link. A three-factor allocator that measures three distinct aspects of the Company and results in an overall fair assignment of costs to the electric and gas utilities is used and is based on equally weighting operating revenue, plant in service and supervised O&M. |
| 925-926 | Labor Allocator | A labor allocation is reasonable because the costs recorded in these accounts are injuries and damages and pension and benefit costs. These costs have a cost-causative relationship with labor. |
| 928-935.3 | Three-factor Allocator | A three-factor allocation is reasonable because there is no single allocator that could provide a cost causative link. A three-factor allocator that measures three distinct aspects of the Company and results in an overall fair assignment of costs to the electric and gas utilities is used and is based on equally weighting operating revenue, plant in service and supervised O&M. |

**Table B – Rate Base and Non-O&M Utility Allocations**

| Utility | Functional Class | Pool of Costs | Allocation Methodology |
|---|---|---|---|
| Electric | | | Direct Assignment |
| Gas | | | Direct Assignment |
| Common | 26/Common Intangible Plant | Computer Software | Computer Software Study |
| Common | 31/Common General Plant | General Furniture & Equipment | Three-Factor Allocation |
| Common | 31/Common General Plant | Electric Distribution – Mass – MN | Direct Assignment to Electric |
| Common | 31/Common General Plant | Electric Distribution – ND | Direct Assignment to Electric |
| Common | 31/Common General Plant | Electric Distribution – MN | Direct Assignment to Electric |
| Common | 31/Common General Plant | Electric Distribution Vaults | Direct Assignment to Electric |
| Common | 31/Common General Plant | Allen S King Plant | Direct Assignment to Electric |
| Common | 31/Common General Plant | Electric Transmission Line – MN | Direct Assignment to Electric |
| Common | 31/Common General Plant | Electric Transmission Substation – MN | Direct Assignment to Electric |
| Common | 31/Common General Plant | Gas Distribution – MN | Direct Assignment to Gas |
| Common | 31/Common General Plant | General Tools and Other Equipment | Three-Factor Allocation |
| Common | 31/Common General Plant | Office, Service & Other Bldgs – MN | Three-Factor Allocation |
| Common | 31/Common General Plant | Office, Service & Other Bldgs – ND | Three-Factor Allocation |
| Common | 31/Common General Plant | Office, Service & Other Bldgs – SD | Three-Factor Allocation |
| Common | 31/Common General Plant | Software – Minnesota | Three-Factor Allocation |
| Common | 31/Common General Plant | Transportation Equipment – MN | Transportation Study |
| Common | 31/Common General Plant | Transportation Equipment – MN | Transportation Study |
| Common | 31/Common General Plant | Transportation Equipment – SD | Transportation Study |
| Common | 31/Common General Plant | Prairie Island | Direct Assignment to Electric |
| Common | 31/Common General Plant | Inver Hills – Prod Other | Direct Assignment to Electric |
| Common | 31/Common General Plant | Big Oaks Rec Area | Three-Factor Allocation |
| Common | 31/Common General Plant | Black Dog | Direct Assignment to Electric |
| Common | 31/Common General Plant | High Bridge | Direct Assignment to Electric |
| Common | 31/Common General Plant | Riverside | Direct Assignment to Electric |
| Common | 31/Common General Plant | Sherco | Direct Assignment to Electric |
| Common | 31/Common General Plant | Gas Prod – Wescott – MN | Direct Assignment to Gas |
| Common | 31/Common General Plant | General Tools and Other Equipment | Three-Factor Allocation |
| Common | 31/Common General Plant | General Plant – MN | Three-Factor Allocation |
| Common | 31/Common General Plant | General Plant – SD | Three-Factor Allocation |
| Common | 31/Common General Plant | General Plant – ND | Three-Factor Allocation |

# VII. NON-REGULATED ACTIVITY ALLOCATIONS

## INTRODUCTION

The purpose of this section is to detail the methods of assigning and allocating costs between the regulated services and the non-regulated activities of NSPM.

NSPM follows the same approach for all types of costs for its fully distributed costing method. As discussed earlier in the CAAM, NSPM's method was approved by the Commission in its electric and gas rate cases (E002-GR-92-1185, G002-GR-92-1186 and G002/GR-97-1606) and the Commission's September 28, 1994 Order in Docket No. G,E-999/CI-90-1008.

The Commission established the following hierarchical cost assignment and allocation principles in Docket No. G,E-999/CI-90- 1008:

1. Tariffed rate shall be used to value tariffed services provided to non-regulated activities.
2. Costs shall be directly assigned to either regulated or non-regulated activities whenever possible.
3. Costs that cannot be directly assigned are common costs, which shall be grouped into homogenous 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 causation.
4. Whenever neither direct or indirect measures of cost causation can be found, the cost category shall be allocated based upon a general allocator.

This process accomplishes the proper separation of costs between NSPM's regulated utility business and non-regulated activities. Each activity that could be considered as being outside of NSPM's electric and gas business is reviewed for regulated/non-regulated treatment. If the activity is approved to be treated as a non-regulated operation, the non-regulated cost allocation process is followed.

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

### Evaluation Process

NSPM's approach to fully distributed costing includes the following steps of analysis: business profile, direct charging, labor overheads, cost causation allocation, labor related overhead, customer accounting overhead, and corporate residual allocation. Non-NSPM affiliates are charged a working capital fee as discussed in Section IV.

### Business Profile

The allocation process begins by reviewing each non-regulated activity for the services NSPM's utility business will be providing to the non-regulated activity.

## Direct Charging (Addresses Principle #2)

Cross charges between NSPM service providers and non-regulated activities are reviewed with the business. Any process, project, or service performed for the direct benefit of a non-regulated activity is directly charged to the non-regulated activity. The business area providing service to the non-regulated activity communicates the anticipated level of service and how much the service will cost.

Labor charges are directly assigned to the non-regulated activity within the budgeting process, generally based on historical charges and taking into consideration known changes. The non-labor charges are directly charged. This process enables charging for all service that will be provided.

## Cost Causation Allocations (Addresses Principle #3)

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 non-regulated business. 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 #4)

The overhead allocation factors capture indirect costs associated with providing services to non-regulated activities.

Non-regulated services wholly contained within NSPM and affiliate or third-party transactions are allocated a portion of NSPM's administrative and general (A&G) costs. A&G costs are allocated to non-regulated activities on the basis of labor of each non-regulated activity. The Company utilizes labor dollars for regulated activities and non- regulated activities to allocate the A&G costs, recorded in FERC accounts 920-935.3, to the non-regulated activities. The labor overhead is applied to unloaded labor.

Most non-regulated activities are also allocated a portion of NSPM's common Customer Accounting Costs. The distinction here is whether the non-regulated activity uses the customer accounting services of NSPM. For those activities that do use these services, common Customer Accounting Costs are allocated on the basis of revenues earned by each non-regulated activity. The Company utilizes revenue dollars for regulated activities and non-regulated activities to allocate the common portion of Customer Accounting Costs, recorded in FERC accounts 901-916, to the non-regulated activities. Excluded from the Common Costs in FERC accounts 901-916 are: FERC account 902, Meter Reading Expenses; FERC account 904, Uncollectible Accounts; and CIP costs in FERC account 908, Customer Assistance Expenses. These costs have been excluded because they are not pertinent to NSPM's non-regulated activities, as the non-regulated activities account for their own bad debt expenses separately.

## Working Capital Fee (Addresses Principle #3)

The working capital fee is applied to non-NSPM affiliates. 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 affiliates.

# VIII. JURISDICTIONAL ALLOCATIONS

## INTRODUCTION

NSPM's methods for assigning and allocating common O&M costs, plant and plant related, and other rate base investment to jurisdictions is intended to distribute costs in a manner that most closely reflects the benefit received from the expenditure. Accurately stating the assigned and allocated costs of the Company, as they relate to causation of the costs, is a fundamental part of creating a fair distribution of those costs to jurisdiction.

NSPM uses three methods to assign and allocate O&M expense, plant and plant related, and other rate base investment to jurisdiction:

1. direct assignment based on FERC account and location,
2. allocate based on cost causation, and
3. allocate based on a default allocator.

Determination of the assignment and allocation of costs to jurisdiction is an annual process designed to identify the jurisdiction(s) that receive the benefit from the cost or investment. During the review, the three methods stated above are used to ensure that the appropriate jurisdiction(s) is assigned or allocated the cost. It is NSPM's primary goal to direct assign or allocate based on cost causation as often as possible, and allocate based on a default as little as possible.

The first step in assigning costs and investments to a jurisdiction is to identify all costs that can be directly assigned to a jurisdiction (Minnesota, North Dakota or South Dakota), based on the location where work is being performed. For O&M expense, the SAP general ledger account has a location indicator (Profit Center) and a FERC account number associated with it and these are used to determine the appropriate jurisdiction(s) for assigning costs. The individual business areas determine and maintain the appropriate values for these codes based on the type of work being performed and which customers benefit from it. For plant investment data, the PowerPlan system's functional class ID, state code and the function that it is serving are used to determine the appropriate jurisdictions to assign costs for plant, plant related and other rate base costs.

## Direct Assignment Based on FERC Account and Location

The first method NSPM uses is to direct assign costs whenever possible. For example, the distribution portion of an electric substation (that which is assigned to a distribution FERC account function) and is located in the Twin Cities metro area can be directly assigned to the Minnesota jurisdiction based on location as it directly serves only customers in Minnesota. In addition, all gas transmission and distribution property are directly assigned to the jurisdiction based on where the property is located as defined within the PowerPlan system. The Capital Asset Accounting organization maintains the capitalized property data.

An O&M example of direct assignment (expense) would be either electric or gas special meter reading done in the Twin Cities metro area (assigned to a distribution FERC account). The meters read are for customers in the State of Minnesota; therefore, the related costs are directly assigned to the Minnesota jurisdiction.

All regulatory expenses specific to a jurisdiction are directly assigned to that jurisdiction. For example, indirect assessments charged to NSPM, from the Minnesota Department of Commerce and the Commission, are directly assigned to the Minnesota jurisdiction.

## Allocation Based on Cost Causal Relationship

The second method NSPM uses identifies all investments and costs that can be assigned to jurisdiction based on a causal relationship, and allocates these costs using the most cost causal allocation method. Examples of electric and gas analyses are as follows:

### Electric

NSPM operates an integrated electric transmission system that transports electricity to NSPM's distribution system that in turn, supplies electricity to all of NSPM's customers. The transmission system is built to meet the demand created by serving its customers and, therefore, NSPM uses a coincident peak transmission demand taken from twelve consecutive months that constitute a calendar year method, to allocate transmission investment to all of its jurisdictions. All of the expense and plant investment, assigned to transmission function, exists to support NSPM's infrastructure, is fixed in nature and is assigned to jurisdiction based on transmission demand.

The cost causation allocators used for electric production expense or plant investment is a twelve-month coincident peak demand or energy, depending on the type of expense or plant investment. If the expense is variable in nature, energy is used to make the assignment to jurisdiction. If it is determined that the expense or plant investment exists to support NSPM's infrastructure and is fixed in nature, the demand allocator is used to make the assignment to jurisdiction.

### Gas

From a supply standpoint, for example, NSPM operates its gas distribution system as a single unit. NSPM purchases natural gas, pipeline delivery capacity, and transmission of gas purchased to meet its customers' requirements on a system-wide basis. In addition, NSPM also operates propane-air (LPG) peak shaving facilities and liquefied natural gas (LNG) peaking facilities to meet firm demand in excess of natural gas daily pipeline entitlement for the benefit of the entire NSPM system. Because these types of costs support the entire operating company system, it is not possible to direct assign them to a specific jurisdiction. For this example, the O&M production and storage functions are allocated to jurisdiction based on the type of expense within the FERC account number. The transmission function is allocated based on the gas load dispatch allocator that is a combination of the design day firm demand allocator and total annual throughput. For plant investment, all production and storage facilities are allocated based on the gas design day allocator related to the design day firm demand.

### Electric & Gas

Cost and investment in support of NSPM's distribution, customer accounting, and customer information & sales are more easily identified by state based on the location or where the work is being performed, or they can be allocated to jurisdiction using customers as a basis. In cases where services are provided and serve all regional customers, a regional allocator is developed which reflects the number of customers served in Minnesota and North Dakota or Minnesota and South Dakota, depending on the region. This represents a causal relationship between costs incurred in those regions and the assignment of costs to jurisdiction. Locating services performed in the Fargo area is an example of these types of costs. Locating services are performed for customers on both sides of the Minnesota/North Dakota border and are, therefore allocated to jurisdiction based on the number of year-end average customers in the North Dakota Region, which includes Fargo, Moorhead, Grand Forks, East Grand Forks and Minot.

## Allocation Based on a Default Allocator

Allocation of common and general investment or A&G expense: costs and investment that cannot be assigned to jurisdiction using either direct assignment or allocation based on cost causation as described above are allocated to jurisdiction using a default allocator.

### Common and General Plant Investment

The default allocator for electric plant investment is determined by the function that it serves. Common and general plant that serves production uses a twelve-month coincident peak demand allocator to allocate costs to jurisdiction. Plant serving transmission uses a twelve-month coincident peak transmission demand allocator to allocate costs to jurisdiction. For plant serving distribution, the number of year-end average customers is used to allocate costs to jurisdiction.

For Gas plant a default allocator is also determined by the function that it serves. For general and common plant, a year-end average customer allocator is used as the default. If the investment function has been determined to be gas production related, then the default jurisdictional allocator used in the production allocator is gas design day.

### Administrative and General Expenses

When assigning or allocating A&G expenses to jurisdiction, a cost causative allocator is used if a functional relationship is easily established. In other instances, Electric A&G costs are allocated to jurisdiction using an equally weighted two-factor allocator based on electric plant in service and electric O&M expense (excluding A&G). The two factor allocator is developed by first calculating a three part historical ratio of plant investment directly serving production, transmission or distribution and a three part historical ratio of O&M expenses assigned to FERC accounts that are either production, transmission or directly serve customers (distribution, customer accounting, customer information or sales). These two ratios are then averaged to develop an equally weighted production, transmission and distribution ratio. This resulting three part ratio is then multiplied times the jurisdictional O&M default allocation ratios. The electric production portion is allocated to jurisdiction using a twelve-month coincident peak demand allocator; the transmission portion using the transmission demand allocator; and the customer portion is allocated using twelve-month end-of-year customers. The final step is to add the three sets of jurisdictional ratios together to form the two factor jurisdictional allocator used to allocate electric A&G costs supporting corporate functions.

Gas A&G expenses are allocated to jurisdiction using the appropriate customer allocation as a default allocator, based on the SAP account location indicator (profit center).

A more detailed description of each allocation type and method of allocation, including examples of why the allocation was chosen to assign costs to jurisdiction is included below.
Table C in this section lists the methodology applied to specific pools of costs.

## ALLOCATION METHODS

### GAS & ELECTRIC

#### *Allocation: Direct Assigned*

This allocation type is used to assign all expenses that are determined to be directly assignable to a jurisdiction (Minnesota, North Dakota, and South Dakota).

##### Allocation: Direct Assigned: State of Minnesota

This allocation type is used for all expenses that are determined to be for the direct benefit or in direct support of the Minnesota jurisdiction. The types of costs direct assigned include: direct and indirect assessments related to one of Minnesota's regulatory bodies, legal department expense budgeted in support of Minnesota, economic development activities in the state of Minnesota, facilities expenses in support of the distribution business unit in the state of Minnesota, delivery system operation and maintenance costs in the Twin Cities metro area, Northwest and Southeast regions and automated energy system (AES) expenses.

### Allocation: Direct Assigned: State of North Dakota

This allocation type is used for all expenses that are determined to be for the direct benefit or in direct support of the state of North Dakota jurisdiction. The types of costs direct assigned include: regulatory development activities based out of the North Dakota regional offices, direct and indirect assessments related to the North Dakota regulatory bodies, legal department expenses budgeted in support of North Dakota, economic development activities performed directly for North Dakota and work performed in the Minot area for the sole benefit of North Dakota customers.

### Allocation: Direct Assigned: State of South Dakota

This allocation type is used for all expenses that are determined to be for the direct benefit or in direct support of the state of South Dakota jurisdiction. The types of costs direct assigned include: direct and indirect assessments related to the South Dakota regulatory bodies, legal department expenses budgeted in support of South Dakota, economic development activities performed directly for South Dakota.

### Allocation: Customers - Year-End Average - (Electric or Gas)

This allocation type is used to assign expenses where there is a cost causative relationship between the number of electric and gas utility NSP customers in a particular area and the service provided. This allocator is based on year-end average customer by utility.

### Allocation: Customers Year-End Average Minnesota Co. MN/ND/SD

This allocation type is used to assign costs to all of Minnesota Company's jurisdictions (Minnesota, North Dakota, and South Dakota) when the work performed benefits all of the company's customers equally. This is the default allocator that is used for the electric and gas distribution, customer accounting, customer information, sales, and A& G FERC accounts.

This is also the gas utility A&G corporate function default allocator type.

### Allocation: Customers Year End Average Minnesota/North Dakota

This allocation type is used to assign costs to both the North Dakota and Minnesota jurisdictions based on customers in the entire North Dakota region. This includes customers in Fargo, Moorhead, Grand Forks, East Grand Forks and Minot service areas. This method is the default allocator for O&M expenses associated with general ledger accounts where the SAP profit center designates support for Minnesota/North Dakota.

### Allocation: Customers Year End Average Minnesota/South Dakota

This allocation type is used to assign costs to both the South Dakota and Minnesota jurisdictions based on customers in the entire South Dakota region. This method is the default allocator for O&M expenses associated with general ledger accounts where the SAP profit center designates support for Minnesota/South Dakota.

### Allocation: Study Jurisdictional Budget Transmission

This allocation is used for all budgeted plant investment that is determined to be for the direct benefit or in direct support of transmission. It is a historical allocator based on the plant investment that has been direct assigned to jurisdiction based on its state location.

### Allocation: Study Jurisdictional Budget Distribution

This allocation is used for all budgeted plant investment that is determined to be for the direct benefit or in direct support of Distribution. It is a historical allocator based on the plant investment that has been direct assigned to jurisdiction based on its state location.

## ELECTRIC UTILITY ONLY

### Allocation: Energy

Fuel and fuel-related items are assigned to jurisdiction based on the energy allocator because of the direct correlation of customer sales and the level of fuel consumed. These items include all fuel, purchased energy, interchange agreement energy, and variable production expenses.

### Allocation: Demand Prod (Coincident Peak)

The 12 coincident peak (CP) demand production allocator is used to assign fixed capacity related expenses, plant, and plant related items to jurisdiction. Other expenses allocated to jurisdiction based on demand include: fixed production expenses, purchased power demand expense, interchange agreement demand charges and regulatory expenses not directly related to one of NSPM's jurisdictions. Also, any A&G costs that are directly in support of production are allocated using this method.

### Allocation: Demand Tran (Coincident Peak)

The 12 CP demand transmission allocator is used to assign transmission FERC Accounts in support of NSPM's jurisdictions. Also, any A&G costs that are directly in support of transmission are allocated using this method.

### Allocation: Two-Factor Allocator (A&G Only)

Expressed as an equally weighted factor based on electric plant in service and electric O&M expense (excluding A&G); the two-factor allocator is used to allocate electric A&G costs when there is not a direct or cost causative method available. Generally, all corporate electric A&G costs are allocated using this method.

*GAS UTILITY ONLY*

### Allocation: Retail Revenues Cost of Gas Recovery - Demand, Commodity and Purchased Gas Adjustment True-up Study

Retail revenues include components for the recovery of costs associated with product and delivery of product to the service area. Such costs include capacity or entitlement costs, pipeline transportation costs, commodity costs and costs of alternative gas (LPG or LNG) supplied during times of firm peak demand. Regulations provide for the automatic adjustment of billing rates for price changes and the annual true up of the cost of gas incurred. Demand, commodity, and purchased gas adjustment are components of the retail revenues cost of gas recovery study. The portion of total NSPM cost of gas included in retail revenues that the Minnesota jurisdiction represents is also applied to total Minnesota company cost of gas expense accounts to achieve revenue neutrality for revenue requirements consideration.

### Allocation: Design Demand Day

Expressed as a percentage, design demand day is the ratio of the Minnesota jurisdiction firm peak demand volume to the total NSPM firm peak demand volume that could occur on the distribution system on a day considered to be the most severe weather conditions that can be experienced.

### Allocation: Load Dispatch

Expressed as a percentage, load dispatch is a combination of the Minnesota jurisdiction design demand day and the Minnesota jurisdiction total retail sales and transportation throughput each weighted equally.

### Allocation: Limited Firm and Standby Services Study

Expressed as a percentage, limited firm and standby services, in revenues, is the ratio of Minnesota jurisdiction availability charges and volumetric charges to the total NSPM system; in costs, it is the ratio of Minnesota jurisdiction volumetric product costs to the total NSPM program product costs.

Table C

## Allocation to Jurisdiction

| Selection Criteria * | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sub-Business Unit** | **Plant Function** | **Functional Class ID / Description** | **Location** | **Functional Use** | **Utility** | **Jurisdiction** | **Allocation Methodology** |
| **Budget** | | | | | | | |
| Production | Production | 1 / Electric Steam Production Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 2 /Electric Nuclear Production Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 3 / Electric Hydro Production Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 4 / Electric Other Production Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 4 / Electric Other Production Plant-Wind | | | Electric | MN/ND/SD/WHSL | Electric - Energy |
| Production | Production | 22 / Nuclear Fuel | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Common & General | 24 / Electric Intangible Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Common & General | 26 / Common Intangible Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Common & General | 29 / Electric General Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Common & General | 31 / Common General Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 23 / Decommissioning | FERC MN | | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Production | Production | 23 / Decommissioning | Minnesota | | Electric | MN | Direct Assigned - State of Minnesota |
| Production | Production | 23 / Decommissioning | North Dakota | | Electric | ND | Direct Assigned - State of North Dakota |
| Production | Production | 23 / Decommissioning | South Dakota | | Electric | SD | Direct Assigned - State of South Dakota |
| Production | Production | 23 / Decommissioning | Wisconsin | | Electric | WI | Direct Assigned - Wisconsin |
| Electric Transmission | Transmission | 5 / Electric Transmission Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| Electric Transmission | Transmission | 5 / Transmission Direct Assignment | Minnesota | DRCT | Electric | MN | Direct Assigned – State of Minnesota |
| Electric Distribution | Transmission | 5 / Transmission Serving Distribution | Minnesota | | Electric | MN | Direct Assigned - State of Minnesota |
| Electric Distribution | Transmission | 5 / Transmission Serving Distribution | North Dakota | | Electric | ND | Direct Assigned - State of North Dakota |
| Electric Distribution | Transmission | 5 / Transmission Serving Distribution | South Dakota | | Electric | SD | Direct Assigned - State of South Dakota |
| Production | Transmission | 5 / Transmission Generation Step-up | | BSLD, PEAK | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Electric Transmission | Common & General | 24 / Electric Intangible Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| Electric Transmission | Common & General | 26 / Common Intangible Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| | | | | | | | |

| Selection Criteria * | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sub-Business Unit** | **Plant Function** | **Functional Class ID / Description** | **Location** | **Functional Use** | **Utility** | **Jurisdiction** | **Allocation Methodology** |
| **Budget** | | | | | | | |
| Electric Transmission | Common & General | 29 / Electric General Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| Electric Transmission | Common & General | 31 / Common General Plant | | | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| Electric Distribution | Distribution | 6 / Electric Distribution Plant | Minnesota | | Electric | MN | Direct Assigned - State of Minnesota |
| Electric Distribution | Distribution | 6 / Electric Distribution Plant | North Dakota | | Electric | ND | Direct Assigned - State of North Dakota |
| Electric Distribution | Distribution | 6 / Electric Distribution Plant | South Dakota | | Electric | SD | Direct Assigned - State of South Dakota |
| Electric Distribution | Distribution | 6 / Electric Distribution Plant | Wholesale | | Electric | WHSL | Direct Assigned - Wholesale Full Requirements |
| Production | Distribution | 6 / Distribution Generation Step-up | | PEAK | Electric | MN/ND/SD/WHSL | Electric - Demand Prod (Coincident Peak) |
| Electric Transmission | Distribution | 6 / Distribution Serving Transmission | | TBULK | Electric | MN/ND/SD/WHSL | Electric - Demand Tran (Coincident Peak) |
| Electric Distribution | Common & General | 24 / Electric Intangible Plant | | | Electric | MN/ND/SD/WHSL | Customer Year End Average - Electric Minnesota Company MN/ND/SD/WHSL |
| Electric Distribution | Common & General | 26 / Common Intangible Plant | | | Electric | MN/ND/SD/WHSL | Customer Year End Average - Electric Minnesota Company MN/ND/SD/WHSL |
| Electric Distribution | Common & General | 29 / Electric General Plant | | | Electric | MN/ND/SD/WHSL | Customer Year End Average - Electric Minnesota Company MN/ND/SD/WHSL |
| Electric Distribution | Common & General | 31 / Common General Plant | | | Electric | MN/ND/SD/WHSL | Customer Year End Average - Electric Minnesota Company MN/ND/SD/WHSL |
| Gas | Production | 7 / Gas Manufactured Production Plant | | | Gas | MN/ND | Gas - Design Demand Day |
| Gas | Storage | 9 / Gas Underground Storage Plant | | | Gas | MN/ND | Gas - Design Demand Day |
| Gas | Transmission | 10 / Gas Transmission Plant | | | Gas | MN | Direct Assigned – State Of Minnesota |
| Gas | Transmission | 10 / Gas Transmission Plant | | | Gas | ND | Direct Assigned – State of North Dakota |
| Gas | Distribution | 11 / Gas Distribution Plant | | | Gas | MN | Direct Assigned – State of Minnesota |
| Gas | Distribution | 11 / Gas Distribution Plant | | | Gas | ND | Direct Assigned – State of North Dakota |
| Gas | Common & General | 25 / Gas Intangible Plant | | | Gas | MN/ND | Gas - Design Demand Day |
| Gas | Common & General | 26 / Common Intangible Plant | | | Gas | MN/ND | Gas - Design Demand Day |
| Gas | Common & General | 30 / Gas General Plant | | | Gas | MN/ND | Gas - Design Demand Day |
| Gas | Common & General | 31 / Common General Plant | | | Gas | MN/ND | Gas - Design Demand Day |

| Selection Criteria * | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sub-Business Unit** | **Plant Function** | **Functional Class ID / Description** | **Location** | **Functional Use** | **Utility** | **Jurisdiction** | **Allocation Methodology** |
| **Budget** | | | | | | | |
| Gas | Common & General | 25 / Gas Intangible Plant | | | Gas | MN/ND | Customer Year End Average - Gas Minnesota Company MN/ND |
| Gas | Common & General | 26 / Common Intangible Plant | | | Gas | MN/ND | Customer Year End Average - Gas Minnesota Company MN/ND |
| Gas | Common & General | 30 / Gas General Plant | | | Gas | MN/ND | Customer Year End Average - Gas Minnesota Company MN/ND |
| Gas | Common & General | 31 / Common General Plant | | | Gas | MN/ND | Customer Year End Average - Gas Minnesota Company MN/ND |
| Gas | Common & General | 34 / Gas Other Storage Plant | | | Gas | MN/ND | Gas - Design Demand Day |

* All items under the Selection Criteria must be met before this allocation takes place.

**2026 Test Year Budget**

| SAP Cost Center | Cost Center Description | Description of Services Provided | General Allocator/ Cost Causative | Allocation Method | Reasonableness of Allocation Method | NSPM Allocation Percent |
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| 200063 | Executive - Corporate Governance | Executive Corporate Governance includes the labor and non-labor costs for executive corporate management, long-term business strategy development and other programs that ensure the continuity and development of management. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Executive - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200064 | Shareholder - Corporate Governance | Shareholder - Corporate Governance includes the labor and non-labor costs for serving as liaison between Xcel Energy BOD and the shareholders, manages employee/executive stock award matters, liaison between Xcel Energy and the proxy advisory group, monitoring stock ownership patterns, planning shareholder meetings, coordinating the transfer agent and shareholder record keeping functions. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Shareholder - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200065 | Investor Relations - Corporate Governance | Investor Relations - Corporate Governance includes the labor and non-labor costs for communications to investors and the financial community, providing management with feedback from investors, assisting in the communication to investors of debt and equity securities issuances, assists in the development of presentations for Board of Directors, develops and delivers Xcel Energy's credit story to credit rating agencies, develops and presents Xcel Energy's investment story to investors, reviews all public financial documents for accuracy and completeness and distributes all financial releases. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Investor Relations - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200066 | Accounting, Reporting & Tax - Corporate Governance | Accounting, Reporting & Tax - Corporate Governance includes the labor and non-labor costs associated with preparing and filing consolidated reporting and financial statements, preparing consolidated budgets, completing the consolidation process, maintaining the books and records of Xcel Energy Inc. and Service Company, composing the corporate-wide regulatory accounting policy and compliance, Sarbanes-Oxley (SOX) documentation and compliance, and Chief Financial Officer activities related to the Audit Committee. Provides financial leadership to Xcel Energy and provides policies, controls, and leadership to the Financial Operations business area. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting & Tax - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200067 | Audit Services - Corporate Governance | Audit Services corporate governance includes the labor and non-labor costs associated with the financial operations and information system audits of the holding company and service company; evaluating and improving risk management, corporate internal control guidelines and procedures; ethical conduct and the implementation of best practices, reviewing financial reporting requirements and controls under Sarbanes-Oxley legislative requirements, auditing of consolidated financial statements and activities related to the Audit Committee, performing audits and reviews for compliance with regulatory and legal requirements an contracts with vendors and other parties, providing consulting services to management for operational and process improvement reviews, assistance in internal investigations of fraud, administering the corporate compliance hotline, conflict of interest investigations, or other potential violations of the Xcel Energy Code of Conduct. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Audit Services - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |

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| 200068 | Corporate Finance, Treasury & Cash Management - Corporate Governance | Corporate Finance, Treasury & Cash Management - Corporate Governance includes the labor and non-labor costs related to equity and debt securities issuance, relationships with financial institutions, cash management, investing activities and monitoring the capital markets, holding company commercial paper transactions, compliance with debt covenants, corporate-wide protection of assets from catastrophic loss using risk financing mechanisms including captive risk retention and design and negotiation of insurance contracts with commercial and industry mutual underwriters (Service Company portion of Auto Liability, Cyber, and various other insurance policies), supervising the asset management firms for the Pension Fund and 401k benefits. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Corporate Finance, Treasury & Cash Management - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200069 | Risk Management - Corporate Governance | Risk Management Corporate Governance includes the labor and non-labor costs of providing administration of the Transaction Review Committee which handles contract and deal approvals for Commercial Operations, Resource Planning and Energy Supply, provides analysis associated with key risks facing Xcel Energy Inc., negotiates and manages required security (e.g., bank letters of credit, bonds and guarantees among others); reviews and approves all documents requiring Contracts area sign-off. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Risk Management - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200070 | Corporate Strategy & Business Development - Corporate Governance | Corporate Strategy & Business Development - Corporate Governance includes the labor and non-labor costs associated with providing leadership for the implementation of company-wide business strategies and plans; portfolio management including the evaluation of potential opportunities for mergers, acquisitions, and divestitures; providing financial, analytical and reporting support; researching and providing business intelligence information. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Corporate Strategy & Business Development - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200071 | Legal - Corporate Governance | Legal - Corporate Governance includes the labor and non-labor costs for anticipating and fulfilling the legal needs of Xcel Energy, its Board of Directors, officers, legal entities, business areas and corporate operations to protect the company's assets and to minimize potential liability. Provides services related to labor and employment law pertaining to Service Company employees, litigation, contracts, rates and regulation, environmental matters, and other legal matters. Supports Xcel Energy and its subsidiaries in fulfilling corporate and business area strategies ranging from maintaining/improving regulatory relationships to continued leadership on environmental issues. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Legal - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200072 | Communications - Corporate Governance | Communications - Corporate Governance includes the labor and non-labor costs to assist and ensure Executive Management, Investor Relations and others communicate appropriately with shareholders, the public, and other key stakeholder audiences. Key projects include: development and production of the annual report and other communications to investors; speeches, videos, and major presentations delivered by top executives; and speeches, displays, video and presentations for the company's annual meeting of shareholders. Media Relations contributes to building Xcel Energy's reputation by developing media and public relations strategies for major company initiatives and issues; responding to news media inquiries; working pro-actively with the media to forward story ideas and information about company events, policies and actions, and providing media training for company spokespersons. Media Relations also plays a key role in crisis communications and emergency preparedness efforts. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Communications - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200073 | Human Resources - Corporate Governance | Human Resources - Corporate Governance includes the labor and non-labor costs for executive officers' and Service Company employees' compensation plans, corporate HR policies, executive policy benefit plans, payroll services for Service Company and the employees' handbook. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Human Resources - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |

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| 200074 | Corporate Systems – Corporate Governance | Corporate Systems – Corporate Governance includes the labor and non-labor costs for enterprise-wide corporate systems. | General Allocator | Assets/Revenue/No. of Employees | Corporate Systems - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200075 | Board of Directors - Corporate Governance | Board of Directors - Corporate Governance includes the labor and non-labor costs related to the Board of Directors (BOD). BOD costs may include Directors fees, retirement expenses and replacement fees; Board/Committee meetings and BOD related consulting. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Board of Directors - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 38.7231% |
| 200076 | Xcel Foundation | Xcel Foundation services includes the labor and non-labor costs associated with the management and administration of the Xcel Energy Foundation. | General Allocator | Assets/Revenue/No. of Employees | Xcel Foundation services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the service with costs being recorded to account 426.1-Donations. | 38.8062% |
| 200077 | Branding | Branding services includes the labor and non-labor costs for brand advertising and management of community affairs programs such as employee volunteerism, educational programs and community events, the company's investment in major sponsorships such as the Xcel Energy Center as well as ensuring that such sponsorships and related activities support the company's brand, mission, and values. | General Allocator | Assets/Revenue/No. of Employees | Branding services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 38.8062% |
| 200078 | Governmental Affairs | Governmental Affairs includes the labor and non-labor costs associated with the interpretation of laws, regulations, and environmental policy to ensure compliance and cost effectiveness for Xcel Energy customers and stockholders Internal legislative policy development and issues management, appraise management and internal customers of political and policy trends and developments, develop, and maintain relationships with regulatory officials and staff. | General Allocator | Assets/Revenue/No. of Employees | Governmental Affairs services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 38.8207% |
| 200079 | Federal Lobbying | Federal Lobbying services includes the labor and non-labor costs for federal and state lobbying activities and the federal Political Action Committee (PAC). | General Allocator | Assets/Revenue/No. of Employees | Federal Lobbying services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are provided to a subset of companies based on who benefits from the services. These costs are recorded in FERC 426.4. | 38.8207% |
| 200080 | Capital Asset Accounting | Capital Asset Accounting includes the labor and non-labor costs associated with operating and non-operating company capital asset accounting, budgeting, regulatory reporting, business area support for utility areas, and operating company budgeting support. | General Allocator | Assets/Revenue/No. of Employees | Capital Asset Accounting services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9070% |
| 200081 | Accounting, Reporting & Taxes | Accounting, Reporting & Taxes services includes the labor and non-labor costs for preparation of operating and non-operating financial statements, tax returns and reporting, performing accounting for the employee benefit plans, ensuring compliance with applicable laws and regulations of the operating and non-operating companies; composing the corporate-wide regulatory accounting policy, and coordinating the budgeting process with the operating and non-operating companies. | General Allocator | Assets/Revenue/No. of Employees | Accounting Reporting & Taxes services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9622% |
| 200082 | Audit Services | Audit Services includes the labor and non-labor costs for auditing operating and non-operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating and non-operating companies, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating and non-operating companies, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating and non-operating companies. | General Allocator | Assets/Revenue/No. of Employees | Audit Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9622% |
| 200083 | Corporate Finance, Treasury & Cash Management | Corporate Finance, Treasury & Cash Management services includes the labor and non-labor costs related to equity and debt securities issuance, cash management, relationships with financial institutions, compliance with debt covenants, Service Company portion of General and Excess liability insurance, and management of the Pension Fund and 401k benefits for operating companies. | General Allocator | Assets/Revenue/No. of Employees | Corporate Finance, Treasury & Cash Management services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9622% |

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| 200084 | Risk Management | Risk Management develops and negotiates security agreements with counterparties; reviews high-risk vendor creditworthiness for the Environmental Services group; supports wind generation, solar carbon offsets, emission allowances, bundled energy and RECs, biomass and other renewable energy purchase agreements; participates in industry contracts working groups; representing Xcel Energy operating utilities; performs production cost modeling and analysis for corporate budgeting; analyzing value and risks of structured purchases and generation system modifications; performs long range system modeling to evaluate large capacity acquisition alternatives; provides central coordination of annual capital funding process for Distribution and maintains and administers the Risk Registry database, evaluates and prioritizes specific risk mitigations for Distribution assets; develops strategies for Distribution infrastructure including building and implementing stochastic models for asset life-cycle analysis and other ad hoc asset specific requests; creates retail and system load and energy forecasts providing regular updates to senior management and analyses of key drivers; provides data support and analyses for financial disclosures; and provides analyses and reporting of current sales and peak demand levels relative to forecasts. | General Allocator | Assets/Revenue/No. of Employees | Risk Management services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9622% |
| 200086 | Legal & Claims Services | Legal & Claims Services includes the labor and non-labor costs for operating and non-operating legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate, contracts, and claims services related to casualty, public, and company claims. | General Allocator | Assets/Revenue/No. of Employees | Legal & Claims Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9622% |
| 200087 | Accounting, Reporting & Tax - Regulated | Accounting, Reporting & Tax - Regulated includes the labor and non-labor costs associated with operating company revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting & Tax - Regulated services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies based on who benefits from the services. | 43.9691% |
| 200088 | Accounting, Reporting, Tax & Audit Services - Regulated Electric | Accounting, Reporting, Tax & Audit Services - Regulated Electric includes the labor and non-labor costs associated specifically with operating company electric utility revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, capital asset accounting auditing operating companies , evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies electric utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies electric utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies electric utility. Additionally, costs for electric association dues including Edison Electric Institute (EEI). | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services - Regulated Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies with electric operations who benefits from the services. | 43.9691% |
| 200089 | Audit Services - OpCo's & TransCo's | Audit Services - OpCo's & TransCo's includes the labor and non-labor costs for auditing operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies. | General Allocator | Assets/Revenue/No. of Employees | Audit Services - OpCo's & TransCo's services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 43.9691% |
| 200090 | Risk Management - OpCo's & TransCo's | Risk Management - OpCo's & TransCo's includes the labor and non-labor costs of oversight and administrative of operating company risk management work, working with counterparties to establish enabling agreements with operating companies, risk management reports including all operating companies (such as CDAD - Contract Development, Approval & Delegation or TRC- Transaction Review Committee Reporting). | General Allocator | Assets/Revenue/No. of Employees | Risk Management - OpCo's & TransCo's services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 43.9691% |
| 200091 | Captive Insurance | Captive Insurance - The Property Loss Control Engineers services includes the labor and non-labor costs for each primary Operating Company(s) as well as all of Energy Supply Services. Having an expertise in an area, they lend support to each other and members of Energy Supply, and the Utilities Group, throughout the corporation. Fire Protection, Transformer Maintenance, Turbine Characteristics, Policies and Procedures are some of the areas in which expertise has been developed. This expertise is then shared on a regular basis to the benefit of all OpCo's and it is further shared at periodic Engineering meetings hosted by Hazard Insurance, which bring together Engineers from the OpCo's, the Property Loss Control Engineers and Insurance Company representatives to promote Loss Control. | General Allocator | Assets/Revenue/No. of Employees | Captive Insurance services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies who benefit from the services. | 43.9691% |

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| 200092 | Corporate Strategy & Business Development | Corporate Strategy & Business Development services include the labor and non-labor costs associated with providing leadership for the implementation of company-wide business strategies and plans; portfolio management including the evaluation of potential opportunities for mergers, acquisitions, and divestitures; providing financial, analytical and reporting support; researching and providing business intelligence information. | General Allocator | Assets/Revenue/No. of Employees | Corporate Strategy & Business Development services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies who benefit from the services. | 43.9691% |
| 200093 | Legal - OpCo's & TransCo's | Legal - OpCo's & TransCo's services include the labor and non-labor costs for operating companies' legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts. | General Allocator | Assets/Revenue/No. of Employees | Legal - OpCo's & TransCo's services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 43.9691% |
| 200094 | Supply Chain | Supply Chain includes the labor and non-labor costs for operating companies diversity program expenses as well as various dues for specific sponsored agencies (Chamber of Commerce, social service dues, etc.) | General Allocator | Assets/Revenue/No. of Employees | Supply chain services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies who benefit from the services. | 43.9691% |
| 200095 | Electric Vehicle Programs FERC 912 | Electric Vehicle Programs FERC 912 services includes the labor and non-labor costs of providing management and overall program support to the Electric Vehicle (EV) organization, maximizing business value of the EV information systems, developing and implementing the program plan and strategy. | Cost Causative | Electric Vehicle Plant | Electric Vehicle Programs FERC 912 using electric vehicle plant to allocate EV program costs is reasonable because there is a cost causative relationship with electric vehicle plant and the EV program operations supported by the program organization. | 29.1386% |
| 200096 | Energy Markets - Business Services | Energy Markets Business Services includes the labor and non-labor costs for financial analysis, budgeting and administrative support, managerial reporting and business planning and process initiatives, independent daily forward valuation and risk measurement of commodity transactions and system fuel and purchase power requirements to meet system loads, as well as proprietary or trading transactions; creates retail system load and energy forecasts providing regular updates to senior management and analyses of key drivers, reviews and provides comments to dealmakers on non-standard agreements and associated confirmation agreements in the areas of coal supply, gas supply, wood fuel, rail, trucking, structured power purchases and nuclear/uranium concentrates and services; provides analyses for electric/gas hedge studies and sensitivities; creates load management forecast, jurisdictional peak demand forecasts, and cost of service studies for energy trading and marketing. | General Allocator | Assets/Revenue/No. of Employees | Energy Markets - Business Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9691% |
| 200097 | Accounting and Finance Software Applications Maintenance | Accounting and Finance Software Applications Maintenance services include the labor and non-labor operating costs for the application development and maintenance of the software applications used for accounting and finance business functions. | General Allocator | Assets/Revenue/No. of Employees | Accounting and Finance Software Applications Maintenance - The Business Systems expenses related to maintenance of this system that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 43.9691% |
| 200098 | Electric Transmission FERC 566 | Electric Transmission FERC 566 services include Transmission electric labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Transmission FERC 566 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 43.9691% |
| 200099 | Electric Distribution FERC 588 | Electric Distribution FERC 588 services include electric Distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Distribution FERC 588 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 43.9692% |
| 200100 | Accounting, Reporting, Tax & Audit Services – Regulated Gas | Accounting, Reporting, Tax & Audit Services – Regulated Gas includes the labor and non-labor costs associated specifically with gas utility revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, capital asset accounting, auditing, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies gas utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies gas utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies gas utility. Additionally, costs for gas association dues including American Gas Association (AGA). | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services – Regulated Gas services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies gas utility who benefit from the services. | 51.3796% |
| 200101 | Legal Gas | Legal Gas services include the labor and non-labor costs for operating companies gas utility legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts. This is primarily used by the General Counsel area. | General Allocator | Assets/Revenue/No. of Employees | Legal Gas services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies who benefit from the services. | 51.3796% |
| 200102 | Gas Distribution FERC 880 | Gas Distribution FERC 880 services include gas Distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Gas Distribution FERC 880 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 51.3796% |
| 200103 | Electric Distribution PSCo & SPS FERC 588 | Electric Distribution PSCo & SPS FERC 588 services include electric distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Distribution PSCo & SPS FERC 588 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 0.0000% |

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| 200104 | Accounting & Reporting – PSCo & SPS | Accounting & Reporting - PSCo & SPS includes the labor and non-labor costs associated with PSCo & SPS accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting - PSCo & SPS services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to PSCo & SPS who benefit from the services. | 0.0000% |
| 200105 | Accounting & Reporting - NSPM & NSPW | Accounting & Reporting - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting - NSPM & NSPW services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW who benefit from the services. | 86.3532% |
| 200106 | Accounting & Reporting Electric - NSPM & NSPW | Accounting & Reporting Electric - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting specific to the electric utility. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting Electric - NSPM & NSPW services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW electric utility who benefit from the services. | 86.3532% |
| 200107 | Legal - NSPM & NSPW | Legal - NSPM & NSPW services include the labor and non-labor costs for legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts specific to NSPM & NSPW. This is primarily used by the General Counsel area. | General Allocator | Assets/Revenue/No. of Employees | Legal - NSPM & NSPW services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW who benefit from the services. | 86.3532% |
| 200108 | Advanced Metering Infrastructure (AMI) | Advanced Metering Infrastructure (AMI) includes the labor and non-labor costs associated with AMI. | Cost Causative | No. of AMI Enabled Meters | Advanced Metering Infrastructure (AMI) using No. of AMI Enabled Meters to allocate costs is reasonable because there is a cost causative relationship with the companies with AMI enabled meters. | 42.3393% |
| 200111 | Enterprise Application Integration (EAI) | Enterprise Application Integration (EAI) includes the labor and non-labor costs associated with the management of information systems infrastructure and working with IT Project Managers to ensure that new systems are positioned to function as successfully as possible in terms of overall performance and communication with other systems. | Cost Causative | Average of a Select Set of Software Allocators | Enterprise Application Integration (EAI) using average of selected software systems to allocate costs is reasonable because EAI is primarily the server costs supporting the selected software applications and benefits the companies using the software applications. | 39.1929% |
| 200112 | Mainframe Charges | Mainframe Charges include labor and non-labor costs related to mainframe expenses for development, maintenance, and licensing. The Mainframe is comprised of three applications: Time, Transaction System, and Monitoring Device Management System applications. This is used primarily by the Business Systems Organization. | Cost Causative | Average of a Select Set of Software Allocators | Mainframe Charges expenses cannot be directly charged to a specific legal entity as the system is used by multiple entities. Using an average of selected software systems to allocate costs is reasonable because Mainframe primarily supports these selected software systems. | 28.2739% |
| 200115 | Miscellaneous Applications | Miscellaneous Applications includes the labor and non-labor costs associated with the management of information systems infrastructure and working with IT project managers to ensure that new systems are positioned to function as successfully as possible in terms of overall performance and communication with other systems. | Cost Causative | Average of All Software Percentages | Miscellaneous Applications using average of all software systems to allocate costs is reasonable because Miscellaneous Applications is primarily the server costs supporting the software applications and benefits the companies using the software applications. | 34.9945% |
| 200116 | Distribution Electric Supervision & Engineering (S&E) FERC 580 | Distribution Electric Supervision & Engineering (S&E) FERC 580 services includes the labor and expenses incurred in the general supervision and direction of the operation of the electric distribution system. | Cost Causative | Electric Distribution Plant | Distribution Electric Supervision & Engineering (S&E) FERC 580 using the electric distribution plant to allocate the costs is reasonable because there is a cost causative relationship with the operations supported by electric distribution. | 34.7013% |
| 200117 | Distribution Electric Metering FERC 586 | Distribution Electric Metering FERC 586 services include labor, materials used, and expenses incurred in the operation of customer meters and associated equipment (e.g. electric distribution meters standards and development, meter purchases, etc. | Cost Causative | Electric Distribution Plant | Distribution Electric Metering FERC 586 using electric distribution plant to allocate meter costs is reasonable because there is a cost causative relationship with the electric distribution plant and meter operations supported by electric distribution. | 34.7013% |
| 200118 | Distribution Electric Load Dispatching/EMS FERC 581 | Distribution Electric Load Dispatching/EMS FERC 581 services include labor, materials used, and expenses incurred in load dispatching operations pertaining to the distribution of electricity. This includes Energy Management Systems (EMS) which provides supervisory control and data acquisition (SCADA) of substation devices through Remote Terminal Units (RTU's). | Cost Causative | Electric Distribution Plant | Distribution Electric Load Dispatching/EMS FERC 581 using electric distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by load dispatching/EMS-distribution. | 34.7013% |
| 200119 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 services include labor, materials used, and expenses incurred in distribution system operation not provided for elsewhere. This includes software system labor and non-labor costs for the maintenance that support the electric and gas distribution to our customers as well as non-capital engineering & supervision costs. | Cost Causative | Electric Distribution Plant/ Gas Distribution Plant | Distribution Electric & Gas Miscellaneous FERC 588 & 880 using a ratio of electric distribution plant/gas distribution plant to allocate costs is reasonable because there is a cost causative relationship between the work performed by operations and distribution plant. | 32.5574% |
| 200120 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 include the cost of labor, materials used, and expenses incurred in providing Gas Emergency Response (GER) activities for the gas distribution and transmission systems as well as other activities related to the gas distribution and transmission systems. Additionally, costs include the labor and non-labor costs for the application development and maintenance of the GER system. | Cost Causative | Gas Distribution Plant/Gas Transmission Plant | Distribution & Transmission Gas Miscellaneous FERC 588 & 880 using a ratio of gas distribution plant/gas transmission plant to allocate costs is reasonable because the costs are directly related to miscellaneous activities, including Gas Emergency Response work for the gas distribution and gas transmission systems. | 23.3183% |

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| 200121 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 services include gas distribution, gas transmission, and electric distribution labor and non-labor costs associated with accounting, budgeting, and regulatory reporting. | Cost Causative | Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 charges that cannot be directly charged to a specific business unit and are corporate in nature. Using a ratio of electric distribution plant/gas transmission plant/gas distribution plant to allocate Utility Group costs is reasonable because there is a cost causative relationship with operations supported by Utilities Group. | 30.9673% |
| 200122 | Transmission Electric Supervision & Engineering (S&E) FERC 560 | Transmission Electric Supervision & Engineering (S&E) FERC 560 services include labor and expenses incurred in the general supervision and direction of the operation of the electric transmission system as a whole. | Cost Causative | Electric Transmission Plant | Transmission Electric Supervision & Engineering (S&E) FERC 560 using electric transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission electric. | 30.6416% |
| 200123 | Transmission Electric Reliability, Planning, & Standards Development FERC 561.5 | Transmission Electric FERC 561.5 services include labor, materials used, and expenses incurred for the system planning of the interconnected bulk electric transmission systems within a planning authority area. Activities include transmission reliability, planning and standards development related to transmission assets and reliability needs and transmission customers' requirements and requests (e.g. developing and maintaining transmission system models, applying methodologies and tools for analysis and simulation of systems, notification of any planned transmission changes and impacts, etc.). | Cost Causative | Electric Transmission Plant | Transmission Electric Reliability, Planning, & Standards Development FERC 561.5 using electric transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission electric. | 30.6416% |
| 200124 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 services include labor, materials used, and expenses incurred to monitor, assess and operate the power system and individual transmission facilities in real-time to maintain safe and reliable operation of the transmission system. This also includes the expense incurred to manage transmission facilities to maintain system reliability and to monitor the real-time flows and direct actions according to regional plans and tariffs as necessary. | Cost Causative | Electric Transmission Plant | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 using electric transmission plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by EMS-transmission. | 30.6416% |
| 200125 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 services include labor and expenses incurred in the general supervision and direction of the operation of the electric transmission system as a whole. This allocation is used when NSPM and NSPW are the only jurisdictions benefiting from the services. | Cost Causative | Electric Transmission Plant | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 using electric transmission plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by transmission electric. | 72.8609% |
| 200126 | Utilities Group Administrative & General (A&G) FERC 921 | Utilities Group Administrative & General (A&G) FERC 921 services includes the labor and non-labor costs for utilities group leadership, management and support services for the Distribution, Transmission, transportation and supply chain areas. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/Gas Distribution Plant | Utilities Group Administrative & General (A&G) FERC 921 using delivery gross plant to allocate costs is reasonable because these costs are directly related to the electric and gas delivery systems. | 30.8456% |
| 200127 | Distribution Gas Supervision & Engineering (S&E) FERC 870 | Distribution Gas Supervision & Engineering (S&E) FERC 870 services include labor and expenses incurred in the general supervision and direction of gas distribution system operations. | Cost Causative | Gas Distribution Plant | Distribution Gas Supervision & Engineering (S&E) FERC 870 using gas distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by distribution gas. | 27.0753% |
| 200128 | Distribution Gas Miscellaneous FERC 880 | Distribution Gas Miscellaneous FERC 880 services include the cost of distribution maps and records, distribution office expenses, and the cost of miscellaneous labor and materials used, and expenses incurred in gas distribution systems. Additionally, the labor and non-labor costs for non-capital engineering and supervision. | Cost Causative | Gas Distribution Plant | Distribution Gas Miscellaneous FERC 880 using gas distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by Distribution Gas. | 27.0753% |
| 200129 | Distribution Gas Meters and House Regulators FERC 878 | Distribution Gas Meters and House Regulators FERC 878 services include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators. | Cost Causative | Gas Distribution Plant | Distribution Gas Meters and House Regulators FERC 878 using gas distribution plant to allocate meter costs is reasonable because there is a cost causative relationship with the gas distribution plant and meter operations supported by gas distribution. | 27.0753% |
| 200130 | Transmission Gas Supervision & Engineering (S&E) FERC 850 | Transmission Gas Supervision & Engineering (S&E) FERC 850 services include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. | Cost Causative | Gas Transmission Plant | Transmission Gas Supervision & Engineering (S&E) FERC 850 using gas transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission gas. | 8.1837% |
| 200131 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 include the cost of labor, materials used, and expenses incurred in dispatching and controlling the supply and flow of gas through the gas distribution and transmission systems. Additionally, costs include the labor and non-labor costs for the application development and maintenance of the Gas SCADA system. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 using a ratio of gas transmission plant/gas distribution plant to allocate costs is reasonable because the costs are directly related to the monitoring of gas distribution and transmission. | 23.3183% |

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| 200132 | Payment & Reporting | Payment & Reporting services includes the labor and non-labor costs associated with processing payments to vendors, providing audit research and reconciliation support for Accounts Payable transactions, preparing statistical and 1099 reporting, and administering the purchase card programs. | Cost Causative | Invoice Transactions | Payment & Reporting using invoice transactions to allocate costs is reasonable because the costs are directly related to invoices processed. | 30.2756% |
| 200133 | Proprietary Trading - Back Office | Proprietary Trading - Back Office includes the labor and non-labor costs associated with the accounting support and vice president oversight of proprietary trading activities. This allocator should be primarily used by Accounting and Finance, or others providing Administrative & General (A&G) activities when the trading deal doesn't involve Xcel Energy Utility generating resources, which is also considered non-asset-based trading activity. | Cost Causative | Joint Operating Agreement Peak Hour Megawatt Load Ratio | Proprietary Trading - Back Office uses the Joint Operating Agreement Peak Hour Megawatt Load Ratio for cost allocations as it is required for the Proprietary Trading services under the JOA. | 44.0788% |
| 200134 | Proprietary Trading - Front/Mid Office FERC 557 | Proprietary Trading - Front/Mid Office FERC 557 includes the labor and non-labor costs associated with proprietary trading activities which are short term transactions undertaken in the wholesale electric markets where electricity is purchased for the purpose of selling it. Also included are supporting activities: evaluating the credit worthiness of counterparties, reviewing contracts to ensure that regulations are being complied with, evaluating profitability and appropriateness of trades to ensure they are in the best interest of shareholders and rate payers, and ensuring that trades identified as proprietary appropriately fall into that category. | General Allocator | Joint Operating Agreement Peak Hour Megawatt Load Ratio | Proprietary Trading - Front/Mid Office FERC 557 uses the Joint Operating Agreement Peak Hour Megawatt Load Ratio for cost allocations as it is required for the Proprietary Trading services under the JOA. | 44.0788% |
| 200135 | Energy Supply Business Resources | Energy Supply Business Resources services includes the labor and non-labor costs of performance analysis, specialists and analytical services provided to the operating companies' generation facilities. | Cost Causative | MWH Generation | Energy Supply Business Resources using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200136 | Energy Markets - Fuel | Energy Markets - Fuel includes the labor and non-labor costs for planning and implementing power supply portfolios to provide reliable service to native load and to capitalize on market opportunities including purchasing fuel for the operating companies' electric generation system (excluding nuclear) and resource planning and acquisition including purchase power and account management. | Cost Causative | MWH Generation | Energy Markets - Fuel using MWH generation to allocate costs is reasonable because the costs are directly related to the purchase of fuel for generation. | 39.0279% |
| 200137 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200138 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200139 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |

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| 200140 | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200141 | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200142 | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200143 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |
| 200144 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |
| 200145 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |
| 200146 | Energy Markets - Regulated Trading | Energy Markets - Regulated Trading services include the labor and non-labor costs of providing electric trading services to the operating companies' electric generation systems, including load management, system optimization and origination. | Cost Causative | MWH Hours Sold | Energy Markets - Regulated Trading using MWH hours sold to allocate costs is reasonable because there is a cost causative relationship between regulated trading activities and the MWH hours sold. | 38.0327% |
| 200147 | Business Objects | Business Objects includes the labor and non-labor costs for the application that provides critical reporting from data universes and tables. | Cost Causative | No. of Business Objects Users | Business Objects using No. of Business Object users to allocate costs is reasonable because the costs are directly related to users who can access the application. | 53.4487% |

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| 200148 | Business Systems | Business Systems services includes the costs of providing assistance to computer users across the company. Specifically computer technology risk, software maintenance on applications Distributed to all users (e.g. Microsoft PC tools), governance and project management over all IT projects, fixed management fees with outside vendors, business analytics costs, corrective and preventative maintenance, security, data backup and recovery, help desk, and amortization of outside vendor fees and costs that are not specific to an application that has a specific allocator. | Cost Causative | No. of Computers | Business Systems using No. of computers to allocate costs is reasonable because there is a cost causative relationship between the No. of computers and the cost to support them. | 45.7637% |
| 200149 | Customer & Enterprise Solutions (CES) | Customer & Enterprise Solutions (CES) includes the labor and non-labor costs for the leadership of the Customer & Enterprise Solutions organization and their administrative support staff. | Cost Causative | No. of Computers/ No. of Customers/ No. of Employees | Customer & Enterprise Solutions (CES) using a ratio of No. of Computers/Customers/Employees to allocate costs is reasonable because there is a cost causative relationship with the operations supported by CES. | 44.4351% |
| 200150 | Interactive Voice Response (IVR) | Interactive Voice Response (IVR) includes the labor and non-labor costs for the application development and maintenance of the Interactive Voice Response system which interacts with a customer calling Xcel Energy call centers. It is intended to help service customers without invoking a call center agent. If the call needs to be handled by an agent, account information and the reason for the call is determined which helps route the call to the appropriate agent. | Cost Causative | No. of IVR Contacts | Interactive Voice Response (IVR) using No. of contacts to allocate costs is reasonable because this system is used to take and route customer calls and benefits customers using the call centers. | 33.7340% |
| 200151 | Customer Billing FERC 903 | Customer Billing FERC 903 includes the labor and non-labor costs related to the delivery of billing statements, letters and notices to Xcel customers including postage and outside services costs, oversight and administration of customer billing area, research of billing exceptions, providing escalated customer service assistance with regard to billing issues resolution, and process remittances and receivables. This allocation is used when all four jurisdictions are benefiting from the services. | Cost Causative | No. of Customer Bills | Customer Billing FERC 903 using No. of customer bills to allocate costs is reasonable because the costs are directly related to customer billing activities. | 38.9436% |
| 200152 | Customer Care FERC 902 | Customer Care FERC 902 services includes the labor and non-labor costs for meter reading of retail and wholesale customers and determining consumption for billing purposes as well as executing field collections. | Cost Causative | No. of Customers | Customer Care FERC 902 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.2509% |
| 200153 | Customer Safety Advertising & Information Costs | Customer Safety Advertising & Information costs services includes the labor and non-labor costs associated with public safety advertising, information and education. | Cost Causative | No. of Customers | Customer Safety Advertising & Information Costs using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200154 | Customer Service Information Technology (IT) FERC 903 | Customer Service Information Technology (IT) FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200155 | Customer Care FERC 903 | Customer Care FERC 903 services includes the labor and non-labor costs for contact centers, remittance processing, credit and collections, customer resource management, and contact center training. This allocation is used when all four jurisdictions are benefiting from the services such as responding to residential customer inquiries regarding billings and outages, handling inbound credit calls, outbound collections calls, managing accounts receivables, training call center staffs, developing contact center call forecasts. | Cost Causative | No. of Customers | Customer Care FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200156 | Customer Care FERC 901 | Customer Care FERC 901 services includes the labor and non-labor costs for the leadership of the customer care organization and their administrative support staff such as consulting costs to support overall Customer Care organizational operations. | Cost Causative | No. of Customers | Customer Care FERC 901 using No. of customers to costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200157 | Customer Service Information Technology (IT) PSCo & SPS FERC 903 | Customer Service Information Technology (IT) PSCo & SPS FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. This allocation is used when PSCo & SPS jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) PSCo & SPS FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 0.0000% |
| 200158 | Customer Care PSCo & SPS FERC 903 | Customer Care PSCo & SPS FERC 903 services includes the labor and non-labor costs for contact centers, and credit and collections, such as responding to commercial customers inquiries at the Business Solution Center. This is primarily used by the Customer Care organization when PSCo & SPS jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Care PSCo & SPS FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 0.0000% |

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| 200159 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 85.3459% |
| 200160 | Customer Care NSPM & NSPW FERC 903 | Customer Care NSPM & NSPW FERC 903 services includes the labor and non-labor costs for contact centers, and credit and collections, such as responding to commercial customers inquiries at the Business Solution Center. This is primarily used by the Customer Care organization when NSPM and NSPW jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Care NSPM & NSPW FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 85.3459% |
| 200161 | Customer Care Low Income Assistance FERC 908 | Customer Care Low Income Assistance FERC 908 services includes the labor and non-labor costs associated with the low-income energy customer program such as answering calls from customers for referral to low-income assistance agencies, providing information to the agencies in order to process applications for assistance, take pledges/commitments from agencies and process payments from agencies. | Cost Causative | No. of Residential Customers/No. of Low-income customer calls | Customer Care Low Income Assistance FERC 908 using the average of No. of residential customers ratio and No. of Low Income Customer Calls ratio to allocate costs is reasonable because the costs are directly related to customers utilizing the low income assistance programs which is available and a benefit to the retail customer class as a whole | 45.5360% |
| 200162 | Call Logging and Quality Management (CL/QM) FERC 903 | Call Logging and Quality Management (CL/QM) FERC 903 includes the labor and non-labor operating costs for the application development and maintenance of the Call Logging and Quality Management system which is used to monitor and record calls for contact center training and leadership teams. | Cost Causative | No. of Customers/ No. of Contacts | Call Logging and Quality Management (CL/QM) FERC 903 using a ratio of no. of customers/no. of contacts to allocated costs is reasonable because the system benefits current and potential customers using the call centers. | 36.2923% |
| 200163 | Employee Communications | Employee Communications includes the labor and non-labor costs for the development and enhancement of employee awareness and understanding of the company's strategies, priorities, decisions, and performance objectives. It develops and produces regular communication vehicles, including TODAY (daily news bulleting on intranet); XTRA (monthly print publication for all employees and retirees); All Managers E-mail (real-time communication for employees who supervise and manage others); Focus on Financials for all employees; targeted communications for specific business areas, such as Human Resources, and employee meetings. | Cost Causative | No. of Employees | Employee Communications using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 49.1660% |
| 200164 | Payroll | Payroll services include the labor and non-labor costs for processing payroll including consolidation of time collection, calculation of salaries and wages, administration of employee deductions, account Distribution and reconciliation, allocation and accounting for employment taxes and compliance reports. | Cost Causative | No. of Employees | Payroll using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 49.1660% |
| 200165 | Employee Management Systems | Employee Management Systems includes the labor and non-labor costs for the Security Operations Center (SOC), Time capture and processing for payroll and accounting and Human Resources software. These applications and services provide services for the whole company related to enterprise security, including physical access, security monitoring and investigations, payroll and time accounting and employee information databases. | Cost Causative | No. of Employees | Employee Management Systems using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 49.1660% |
| 200166 | Human Resources (Diversity/Safety/Employee Relations) | Human Resources (Diversity/Safety/Employee Relations) includes the labor and non-labor costs for work performed for operating and affiliate company employees, such as diversity programs, providing workforce relations resources for labor agreements, arbitration, and training. Manage, design, and implement Corporate Safety initiatives. Staffing administration for non-bargaining positions and provides Affirmative Action plans (development) and government audit management (compliance). | Cost Causative | No. of Employees | Human Resources (Diversity/Safety/Emp Relations) using No. of Employees to allocate Human Resources costs is reasonable because the costs are directly related to employees. | 49.2277% |
| 200167 | e-Business | The e-Business system includes the labor and non-labor costs associated with the corporate electronic business infrastructure. | Cost Causative | No. of Employees | e-Business using No. of Employees to allocate costs is reasonable because the costs benefit employees. | 49.2277% |
| 200168 | Gas Transaction System (GTS) FERC 866 & 880 | Gas Transaction System (GTS) FERC 866 & 880 supports Xcel Energy gas transportation business including contracts, nominations/allocations, end-user measurement, imbalance management, and input for billing. also supports gas system supply, other balancing services. Costs include labor and non-labor for the application development and maintenance of the Gas Transaction System. | Cost Causative | No. of Gas Customers | Gas Transaction System (GTS) FERC 866 & 880 using No. of gas transport customers to allocate costs is reasonable because this system benefits gas commercial customers such as powerplants and businesses. | 0.0017% |

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| 200169 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 includes the labor and non-labor costs for the non-critical applications that support the Energy Supply area. Such as Emissions Tracker, Labworks, SAP WAM, Documentum and Meridian. | Cost Causative | No. of WAM ES Users | Energy Supply Systems Miscellaneous FERC 506, 539, & 549 using the no. of WAM ES users to allocate the costs is reasonable because there is a direct causal relationship with the operations supported by WAM ES. | 34.3944% |
| 200170 | Meter Reading and Monitoring Systems FERC 902 | Meter Reading and Monitoring Systems FERC 902 includes the labor and non-labor operating costs for the application development and maintenance of the software applications needed to read and monitor gas and electric meters, including Meter Data Management (MDM) and Meter Data Lake (MDL). | Cost Causative | No. of Meters | Meter Reading and Monitoring Systems FERC 902 using No. of meters to allocate costs is reasonable because there is a direct causal relationship with the companies use of systems to monitor meters. | 35.6538% |
| 200171 | Customer Resource System (CRS) FERC 903 | Customer Resource System (CRS) FERC 903 includes the labor and non-labor costs for the CRS system, specifically, application development and maintenance costs, licensing fees, server system costs and technology risk costs specific to disaster recovery of this application. CRS is Xcel Energy's customer service and billing system. | Cost Causative | No. of Meters/ No. of Contacts | Customer Resource System (CRS) FERC 903 using a ratio of no. of meters/no. of contacts to allocate costs is reasonable because there is a direct causal relationship with the operations supported by CRS. | 34.9622% |
| 200172 | Network | Network services include the labor and non-labor costs for the operation, maintenance, and management of Xcel Energy's internal and external Information Technology Network. This includes circuits, firewalls, and communication assets. | Cost Causative | Phones/ Radios/ Computers | Network using a ratio of phones/radios/computers to allocate costs is reasonable because the network supports these major items. | 48.3891% |
| 200173 | Generation Trading/Native Hedge - Back Office | Generation Trading/Native Hedge - Back Office includes the labor and non-labor costs associated with oversight and administration of accounting related trading costs including generation trading and native hedge. This allocator should be primarily used by Accounting and Finance, or others providing Administrative & General (A&G) activities when energy trades are executed using one of Xcel Energy Utilities generation resources. | Cost Causative | Joint Operating Agreement Labor Hours Ratio | Gen/Prop Trading - Back Office use of Joint Operating Agreement Labor Hours Ratio is reasonable because there is a direct correlation between the front office activities and the mid-office and back-office activities. It is required to use the Joint Operating Agreement for the Proprietary split for these accounting and trading costs. | 25.1461% |
| 200174 | Generation Trading/Native Hedge - Mid Office FERC 557 | Generation Trading/Native Hedge - Mid Office FERC 557 includes the labor and non-labor costs associated with independent evaluation and risk measurement of trading and generation book transactions, including preparing daily P&L (profit and loss) reports and individual trader profit and loss reports for the prop book, daily generation book valuation reports for each system showing all net fuel positions and any forward sales values and/or hedges, ensuring that margin reporting follows all SEC rules and GAAP reporting and that credit and risk policies and procedures are complied with. | Cost Causative | Joint Operating Agreement Labor Hours Ratio | Gen/Prop Trading - Mid Office FERC 557 use of Joint Operating Agreement Labor Hours Ratio is reasonable because there is a direct correlation between the front office activities and the mid-office and back-office activities. It is required to use the Joint Operating Agreement for the Proprietary split for these accounting and trading costs. | 30.3697% |
| 200176 | Marketing & Sales | Marketing & Sales services includes the labor and non-labor costs for marketing and sales services for the operating companies for their customers including strategic planning, segment identification, business analysis, sales planning, customer service, promoting products to the business market, and providing regulatory and policy support with respect to utility energy efficiency and demand response program design, evaluation, measurement and verification, cost effectiveness testing , and cost recovery. | Cost Causative | Revenue | Marketing & Sales using revenue to allocate costs is reasonable because Marketing & Sales support the revenue-producing operations of the company. | 41.0407% |
| 200177 | Rates & Regulation - Electric | Rates & Regulation - Electric includes the labor and non-labor costs for determining the regulated utilities' electric utility revenue requirements and rates for electric customers regulatory strategy, coordinating the regulatory compliance requirements, establishing, and maintaining relationships with regulatory bodies, policy development of regulatory and legislative strategy, preparing and organizing rate case filings. | Cost Causative | Direct Labor Dollars | Rates & Regulation Electric using direct labor dollars to allocate costs is reasonable because it represents the direct time spent on setting revenue requirements for each operating company. | 47.1704% |
| 200178 | Rates & Regulation | Rates & Regulation includes the labor and non-labor costs for determining the regulated utilities' revenue requirements and rates for electric and gas customers regulatory strategy, coordinating the regulatory compliance requirements, establishing, and maintaining relationships with regulatory bodies, policy development of regulatory and legislative strategy, preparing and organizing rate case filings. | Cost Causative | Direct Labor Dollars | Rates & Regulation using direct labor dollars to allocate costs is reasonable because it represents the direct time spent on setting revenue requirements for each operating company. | 47.1704% |
| 200180 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 provides supervisory control and data acquisition of substation devices through Remote Terminal Units (RTU's). EMS-Shared system includes the labor and non-labor costs for the application development and maintenance of the Electric Transmission, Distribution and Production Plant information operations. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 using a ratio of electric production plant/electric transmission plant/electric distribution plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by EMS-Shared. | 40.2649% |

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| 200181 | Energy Supply Environmental Policy & Services | Energy Supply Environmental Policy & Services include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | Energy Supply Environmental Policy & Services using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 38.0547% |
| 200182 | Energy Supply Environmental Policy & Services NSPM & NSPW | ES Environmental Policy & Services NSPM & NSPW functions which include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. This allocation is used when NSPM and NSPW jurisdictions are benefiting from the services. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | ES Environmental Policy & Services NSPM & NSPW using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 84.9892% |
| 200183 | Energy Supply Environmental Policy & Services PSCo & SPS | ES Environmental Policy & Services PSCo & SPS functions which include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. This allocation is used when PSCo and SPS jurisdictions are benefiting from the services. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | ES Environmental Policy & Services PSCo & SPS using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 0.0000% |
| 200184 | System Resources | System Resources includes the labor and non-labor operating costs for integrated system planning and cross-functional operational initiatives that benefit electric, gas, distribution, transmission, and energy supply. Costs include systems used to support plant activities which includes PowerPlan, the capital asset business system which includes the following modules. Fixed Assets, Power Tax, Property Tax, Projects, Budgets, Cost Repository, Depreciation studies and Depreciation forecast. This includes the application development and maintenance costs, licensing fees, server system costs and technology risk costs specific to disaster recovery of this application. Additionally, costs for UAS Fleet Management application which is used in association with Drone flights to inspect plant and facilities. | Cost Causative | Total Plant | System Resources using total plant to allocate costs is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining integrated system resources to plant assets. | 41.1636% |
| 200805 | HomeServe Administrative Charges – Non-Utility 417.1 | HomeServe Administrative Charges – Non-Utility 417,1 includes the labor and non-labor costs, including but not limited to business administration, software, technology, and customer care costs related to all HomeServe support activities | Cost Causative | HomeServe Administrative Charges | HomeServe Administrative Charges – Non-Utility 417,1 to allocate costs is reasonable because the costs are directly related to the support responsibilities of the business activity. | 62.5200% |
| 200806 | Generation Modeling- 557 | Generation Modeling 557 includes the labor and non-labor cost for electric generation modeling activities and assets. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | Generation Modeling 557 using a ratio of total plant to allocate cost is reasonable because there is a direct causal relationship with the planning, developing, and maintaining integrated system resources to deliver safe reliable gas and electric service. | 40.2649% |
| 201501 | Utilities Group Operations - 524, 588, 880 | Utilities Group Operations 524, 588 & 880 includes the labor and non-labor costs for gas and electric distribution, as well as nuclear production operations. | Cost Causative | Electric Distribution Plant/ Gas Distribution Plant/ Nuclear Production Plant | Utilities Group Operation 524, 588 & 880 using a ratio of electric distribution plant, gas distribution plant and nuclear production plant is reasonable because these costs are directly related to the maintenance and operation of the assets. | 42.1867% |

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| 201502 | Energy Delivery Operations- 566, 880, & 557 | Energy Delivery Operations 566, 880 & 557 includes the labor and non labor costs for the generation of electric energy, and the operation of electric transmission and gas distribtion plant and software assets. | Cost Causative | Electric Transmission Plant/Gas Distribution Plant/ Electric Production Plant | Energy Delivery Operations 566, 880 & 557 using a ratio of electric transmission plant, gas distribution plant, and electric production plant is reasonable because these costs are directly related to the operation and maintenance of the assets. | 40.4181% |
| 201503 | Energy Delivery Operations- 566, 588, 859 & 880 | Energy Delivery Operations 566, 588, 859 & 880 includes the labor and non-labor costs for the operation of electric and gas transmission and distribution assets, and software. | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | Energy Delivery Operations 566, 588, 859 & 880 using a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant is reasonable because these costs are directly related to the ownership, operation and maintenance of these assets. | 30.8456% |
| 201504 | Steam Production- 506 | Steam Electric Production Plant 506 includes the labor and non-labor costs for the operation of steam production plant and software assets. | Cost Causative | Steam Production Plant | Steam Electric Production Plant 506 using a ratio of steam production plant is reasonable because the costs are directly related to the operation and maintenance of steam production plant assets. | 30.3719% |
| 201505 | Electric Production and Transmission Operations- 566 & 557 | Electric Production and Transmission 566 & 557 includes the labor and non-labor costs for the production and transmission of electric energy. | Cost Causative | Electric Transmission Plant/ Electric Production Plant | Electric Production and Transmission 566 & 557 using a ratio of electric production and electric transmission plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 42.7323% |
| 201506 | Transmission and Distribution Software Systems FERC 569.2, 588, 859 & 880 | Transmission Electric & Gas and Distribution Electric & Gas FERC 569.2, 859, 588 & 880 services include electric transmission, gas transmission, electric distribution, and gas distribution labor, materials used, and expenses incurred in the electric and gas delivery plant system operation not provided for elsewhere. This includes software system labor and non-labor costs for the maintenance that support the electric and gas delivery plant to our customers as well as non-capital engineering & supervision costs. | Cost Causative | Electric/Gas distribution plant and electric/gas transmission plant | Using delivery gross plant to allocate cost is reasonable because these costs are directly related to the electric and gas delivery systems. | 30.8456% |
| 201507 | Gas Delivery Operations- 813 | Gas Delivery 813 includes the labor and non-labor costs for the operation of gas transmsion and distribution plant and software assets. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant | Gas Delivery 813 using a ratio of gas transmission and gas distribution plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 23.3183% |
| 201508 | Electric Transmission & Gas Delivery Operations- 557, 566, 859 & 880 | Electric Transmission & Gas Delivery Operations 566, 859 & 880 includes the labor and non-labor cost for the operation of electric transmission, gas transmission, and gas distribution assets and software. | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Gas Distribution Plant | Electric Transmission & Gas Delivery Operations 566, 859 & 880 using a ratio of electric transmission plant, gas transmission plant and gas distribution plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 39.2772% |
| 201509 | Electric Production and Gas Delivery Operations- 557 & 813 | Electric Production and Gas Delivery Operations 557 & 813 includes the labor and non-labor costs for the operation of electric production, gas transmsion, and gas distribution plant and software assets. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant/ Electric Production Plant | Electric Production and Gas Delivery Operations 557 & 813 using a ratio of gas transmission plant, gas distribution plant, and electric production plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 43.4147% |
| 201510 | ISO Market Interface- 576.5 | ISO Market Interface 576.5 includes the labor and non-labor costs for the operation and maintenenance of miscellaneous market operation assets. | Cost Causative | Maximum Peak MWh Generation | ISO Market Interface 576.6 using a ratio of maximum peak MWh generation is reasonable because the costs pertain to energy trading market operations. | 44.0788% |
| 201511 | Distribution Finance - OpCos Common | Distribution Finance - OpCos Common includes the labor and non-labor costs associated specifically with Distribution Finance (both electric and gas) budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Distribution, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Distribution, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Distribution. | Cost Causative | Assets/Revenue/No. of Employees | Distribution Finance - OpCos Common services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies common utility who benefit from the services. | 43.9692% |
| 201512 | Miscellaneous Distribution Expenses FERC 588 | Miscellaneous Distribution Expense FERC 588 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric distribution activities. | Cost Causative | Electric Distribution Plant | Use of electric distribution plant to allocate costs specific to electric distribution is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric distribution plant assets (including the Integrated System Planning organization). | 34.7013% |
| 201513 | Miscellaneous Transmission Expenses FERC 566 | Miscellaneous Transmission Expense FERC 566 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric transmission activities. | Cost Causative | Electric Transmission Plant | Use of electric transmission plant to allocate costs specific to electric transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric transmission plant assets (including the Integrated System Planning organization). | 30.6416% |

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| 201514 | Transmission Gas Miscellaneous FERC 859 | Miscellaneous Transmission Expense FERC 859 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for gas transmission activities. | Cost Causative | Gas Transmission Plant | Use of gas transmission plant to allocate costs specific to gas transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining gas transmission plant assets (including the Integrated System Planning organization). | 8.1837% |
| 201515 | Transmission Electric & Gas Miscellaneous FERC 566 & 859 | Miscellaneous Transmission Expense FERC 566 & 859 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric and gas transmission activities. | Cost Causative | Electric Transmission Plant/Gas Transmission Plant | Use of both electric and gas transmission plant to allocate costs specific to both electric and gas transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining both electric and gas transmission plant assets (including the Integrated System Planning organization). | 28.4294% |
| 201516 | Miscellaneous Other Power Generation Expenses FERC 549 | Miscellaneous Other Power Generation Expense FERC 549 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric production activities. | Cost Causative | Electric Production Plant | Use of electric production plant to allocate costs specific to electric production is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric production plant assets (including the Integrated System Planning organization). | 50.5948% |
| 201517 | Miscellaneous Transmission Expenses (RTO) FERC 566 | Miscellaneous Transmission Expense FERC 566 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric transmission activities, specifically RTO related activities (which excludes PSCo). | Cost Causative | Electric Transmission Plant | Use of electric transmission plant to allocate costs specific to electric transmission RTO activities (which exclude PSCo) is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric transmission plant assets (including the Integrated System Planning organization). | 43.2126% |
| 201518 | Transmission - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5660) | Accounting, Reporting, Tax & Audit Services - Transmission Regulated Electric includes the labor and non-labor costs associated specifically with operating company transmission electric utility accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, capital asset accounting auditing operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for transmission electric utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies electric utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies transmission electric utility. | Cost Causative | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services - Transmission Regulated Electric services specific to electric transmission that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies with transmission electric operations who benefits from the services. | 43.9691% |
| 201519 | Transmission - Accounting & Reporting Electric - NSPM & NSPW (FERC 5660) | Transmission Accounting & Reporting Electric - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW transmission accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting specific to the electric utility. | Cost Causative | Assets/Revenue/No. of Employees | Transmission Accounting & Reporting Electric - NSPM & NSPW services specific to electric transmission for NSPM & NSPW and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW electric utility who benefit from the services. | 86.3532% |
| 201520 | Energy Supply - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5570) | Energy Supply Finance, Reporting & Services - Regulated Electric includes the labor and non-labor costs associated specifically with Energy Supply budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Energy Supply, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Energy Supply, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Energy Supply. | Cost Causative | Assets/Revenue/No. of Employees | Energy Supply Finance, Reporting & Services - Regulated Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities from corperate employees the three-factor formula was used. These services are allocated to regulated companies with electric operations who benefits from the services. | 43.9692% |
| 201521 | Energy Supply - Accounting & Reporting Electric - NSPM & NSPW (FERC 5570) | Energy Supply - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW budgeting, regulatory reporting, business area support for utility areas, operating company budgeting support. | Cost Causative | Assets/Revenue/No. of Employees | Energy Supply Finance - NSPM & NSPW energy supply services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, and preformed by corperate employees, the three-factor formula was used. | 86.3532% |
| 201522 | Distribution Finance - OpCos Electric | Distribution Finance - OpCos Electric includes the labor and non-labor costs associated specifically with Distribution Finance (electric only) budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Distribution, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Distribution, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Distribution. | Cost Causative | Assets/Revenue/No. of Employees | Distribution Finance - OpCos Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies electric utility who benefit from the services. | 43.9692% |

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| 201523 | Electric Transmission and Distribution (FERC 5660 & 5880) | Electric Transmission and Distribution services include labor and non-labor costs for support of operating companies' electric transmission and distribution systems. This ACC is primarily used by the Wildfire Mitigation organization to plan for and mitigate wildfire risk to ensure customer and Xcel Energy employee safety. | Cost Causative | Electric Transmission Plant/Electric Distribution Plant | Use of electric transmission and electric distribution plant to allocate costs specific to Wildfire Mitigation is reasonable because there is a direct causal relationship with wildfire risk on electric transmission and distribution plant when planning for and mitigating wildfire risk to ensure customer and Xcel Energy employee safety. | 32.7914% |
| 201524 | Energy Delivery Operations-566, 588 & 557 | Energy Delivery Operations 566, 588 & 557 includes the labor and non-labor costs for the generation of electric energy, and the operation of electric transmission and distribution plant and software assets. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | Energy Delivery Operations (FERC 566, 588, and 557) using a ratio of electric transmission plant, electric distribution plant, and electric production plant is reasonable because these costs are directly related to these assets and the electric energy managed through them. | 40.2650% |
| 201525 | FERC898 SWLaborOnly-569.2,592.3,859,880 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | FERC898 SWLaborOnly- 569.2,592.3,859,880 uses a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant because it is for labor associated with energy delivery operations | 30.8456% |
| 201526 | FERC898SWLaborOnly-557,5692,5923,859,880 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Production Plant/Electric Transmission Plant/Electric Distribution Plant/Gas Transmission Plant/Gas Distribution Plant | FERC898SWLaborOnly-557,5692,5923,859,880 uses a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant because it is for labor associated with energy delivery operations | 38.0546% |
| 201527 | FERC898 Software Labor Only ACC 3- 592.3 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Distribution Plant | FERC898 Software Labor Only ACC 3- 592.3 uses a ratio of electric distribution plant because it is for labor associated with energy delivery operations | 34.7013% |
| 201528 | FERC898 Software Labor Only ACC 4- 935.2 | IT Software Labor Only for use recording labor for software projects otherwise allocated using general enterprise software allocation, (200074) | Cost Causative | Assets/Revenue/No. of Employees | FERC898 Software Labor Only ACC 4- 935.2 uses three-factor formula because it is for labor associated with enterprise-wide corporate systems (ACC 200074) | 38.7231% |
| 201529 | FERC898 Software Labor Only ACC 5- 935.2 | IT Software Labor Only for use recording labor for software projects otherwise allocated using general 4 OpCo software allocation, (200148) | Cost Causative | No. of Computers | FERC898 Software Labor Only ACC 5- 935.2 uses No. of computers to allocate costs because it is for labor associated with software projects otherwise allocated using general 4 OpCo software allocation (ACC 200148) | 45.7637% |
| 201530 | FERC898 Hardware Labor Only ACC 6- 935.1 | IT Hardware Only for use recording labor for hardware projects otherwise allocated using general enterprise software allocation (200074) | Cost Causative | Assets/Revenue/No. of Employees | FERC898 Hardware Labor Only ACC 6- 935.1 uses three-factor formula because it is for labor associated with enterprise-wide corporate systems (ACC 200074) | 38.7231% |
| 201531 | FERC898 CommEquipLabor Only ACC 7- 935.3 | IT Communication Equipment Labor Only for use recording labor for software projects otherwise allocated using general 4 OpCo software allocation, (200172) | Cost Causative | No. of Phones/No. of Radios/No. of Computers | FERC898 CommEquipLabor Only ACC 7- 935.3 uses a ratio of phones/radios/computers to allocate costs because it is for labor associated with software projects otherwise allocated using general 4 OpCo software allocation (ACC 200172) | 48.3891% |
| 201532 | Marketing & Sales FERC 908 | Marketing & Sales services includes the labor and non-labor costs for marketing and sales services for the operating companies for their customers including strategic planning, segment identification, business analysis, sales planning, customer service, promoting products to the business market, and providing regulatory and policy support with respect to utility energy efficiency and demand response program design, evaluation, measurement and verification, cost effectiveness testing , and cost recovery. | Cost Causative | Revenue | Marketing & Sales using revenue to allocate costs is reasonable because Marketing & Sales support the revenue-producing operations of the company. | 41.0407% |
| 201533 | Miscellaneous Other Power Generation Expenses FERC 557 | Miscellaneous Other Power Generation Expense FERC 557 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric production activities. | Cost Causative | Electric Production Plant | Use of electric production plant to allocate costs specific to electric production is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric production plant assets (including the Integrated System Planning organization). | 50.5948% |

**2026 Test Year Budget**

**SAP**

| Cost Center | Cost Center Description | Description of Services Provided | General Allocator/ Cost Causative | Allocation Method | Reasonableness of Allocation Method | NSPM Alloc Percent FTE Hours |
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| 200063 | Executive - Corporate Governance | Executive Corporate Governance includes the labor and non-labor costs for executive corporate management, long-term business strategy development and other programs that ensure the continuity and development of management. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Executive - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200064 | Shareholder - Corporate Governance | Shareholder - Corporate Governance includes the labor and non-labor costs for serving as liaison between Xcel Energy BOD and the shareholders, manages employee/executive stock award matters, liaison between Xcel Energy and the proxy advisory group, monitoring stock ownership patterns, planning shareholder meetings, coordinating the transfer agent and shareholder record keeping functions. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Shareholder - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200065 | Investor Relations - Corporate Governance | Investor Relations - Corporate Governance includes the labor and non-labor costs for communications to investors and the financial community, providing management with feedback from investors, assisting in the communication to investors of debt and equity securities issuances, assists in the development of presentations for Board of Directors, develops and delivers Xcel Energy's credit story to credit rating agencies, develops and presents Xcel Energy's investment story to investors, reviews all public financial documents for accuracy and completeness and distributes all financial releases. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Investor Relations - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200066 | Accounting, Reporting & Tax - Corporate Governance | Accounting, Reporting & Tax - Corporate Governance includes the labor and non-labor costs associated with preparing and filing consolidated reporting and financial statements, preparing consolidated budgets, completing the consolidation process, maintaining the books and records of Xcel Energy Inc. and Service Company, composing the corporate-wide regulatory accounting policy and compliance, Sarbanes-Oxley (SOX) documentation and compliance, and Chief Financial Officer activities related to the Audit Committee. Provides financial leadership to Xcel Energy and provides policies, controls, and leadership to the Financial Operations business area. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting & Tax - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200067 | Audit Services - Corporate Governance | Audit Services corporate governance includes the labor and non-labor costs associated with the financial operations and information system audits of the holding company and service company; evaluating and improving risk management, corporate internal control guidelines and procedures; ethical conduct and the implementation of best practices, reviewing financial reporting requirements and controls under Sarbanes-Oxley legislative requirements, auditing of consolidated financial statements and activities related to the Audit Committee, performing audits and reviews for compliance with regulatory and legal requirements an contracts with vendors and other parties, providing consulting services to management for operational and process improvement reviews, assistance in internal investigations of fraud, administering the corporate compliance hotline, conflict of interest investigations, or other potential violations of the Xcel Energy Code of Conduct. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Audit Services - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200068 | Corporate Finance, Treasury & Cash Management - Corporate Governance | Corporate Finance, Treasury & Cash Management - Corporate Governance includes the labor and non-labor costs related to equity and debt securities issuance, relationships with financial institutions, cash management, investing activities and monitoring the capital markets, holding company commercial paper transactions, compliance with debt covenants, corporate-wide protection of assets from catastrophic loss using risk financing mechanisms including captive risk retention and design and negotiation of insurance contracts with commercial and industry mutual underwriters (Service Company portion of Auto Liability, Cyber, and various other insurance policies), supervising the asset management firms for the Pension Fund and 401k benefits. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Corporate Finance, Treasury & Cash Management - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |

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| 200069 | Risk Management - Corporate Governance | Risk Management Corporate Governance includes the labor and non-labor costs of providing administration of the Transaction Review Committee which handles contract and deal approvals for Commercial Operations, Resource Planning and Energy Supply, provides analysis associated with key risks facing Xcel Energy Inc., negotiates and manages required security (e.g., bank letters of credit, bonds and guarantees among others); reviews and approves all documents requiring Contracts area sign-off. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Risk Management - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200070 | Corporate Strategy & Business Development - Corporate Governance | Corporate Strategy & Business Development - Corporate Governance includes the labor and non-labor costs associated with providing leadership for the implementation of company-wide business strategies and plans; portfolio management including the evaluation of potential opportunities for mergers, acquisitions, and divestitures; providing financial, analytical and reporting support; researching and providing business intelligence information. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Corporate Strategy & Business Development - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200071 | Legal - Corporate Governance | Legal - Corporate Governance includes the labor and non-labor costs for anticipating and fulfilling the legal needs of Xcel Energy, its Board of Directors, officers, legal entities, business areas and corporate operations to protect the company's assets and to minimize potential liability. Provides services related to labor and employment law pertaining to Service Company employees, litigation, contracts, rates and regulation, environmental matters, and other legal matters. Supports Xcel Energy and its subsidiaries in fulfilling corporate and business area strategies ranging from maintaining/improving regulatory relationships to continued leadership on environmental issues. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Legal - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200072 | Communications - Corporate Governance | Communications - Corporate Governance includes the labor and non-labor costs to assist and ensure Executive Management, Investor Relations and others communicate appropriately with shareholders, the public, and other key stakeholder audiences. Key projects include: development and production of the annual report and other communications to investors; speeches, videos, and major presentations delivered by top executives; and speeches, displays, video and presentations for the company's annual meeting of shareholders. Media Relations contributes to building Xcel Energy's reputation by developing media and public relations strategies for major company initiatives and issues; responding to news media inquiries; working pro-actively with the media to forward story ideas and information about company events, policies and actions, and providing media training for company spokespersons. Media Relations also plays a key role in crisis communications and emergency preparedness efforts. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Communications - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200073 | Human Resources - Corporate Governance | Human Resources - Corporate Governance includes the labor and non-labor costs for executive officers' and Service Company employees' compensation plans, corporate HR policies, executive policy benefit plans, payroll services for Service Company and the employees' handbook. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Human Resources - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200074 | Corporate Systems – Corporate Governance | Corporate Systems – Corporate Governance includes the labor and non-labor costs for enterprise-wide corporate systems. | General Allocator | Assets/Revenue/No. of Employees | Corporate Systems - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |
| 200075 | Board of Directors - Corporate Governance | Board of Directors - Corporate Governance includes the labor and non-labor costs related to the Board of Directors (BOD). BOD costs may include Directors fees, retirement expenses and replacement fees; Board/Committee meetings and BOD related consulting. Corporate governance activities are generally services that are performed on behalf of all Xcel Energy operating companies and affiliates, including Xcel Energy Inc. | General Allocator | Assets/Revenue/No. of Employees | Board of Directors - Corporate Governance uses the three-factor formula because it reflects the complexity, risk and overall business activity levels that drive corporate governance costs and measures the benefits received from those activities. Corporate Governance includes overall management of the corporation and benefits all companies; therefore, the General Allocator is the most appropriate method of allocation. Assets are used because the greater the value of a subsidiary's assets the more focus will be placed on that subsidiary's operations. Due to its relative effect on the consolidated business. Revenues are used because the larger the subsidiary's revenue the more focus will be placed on that subsidiary's operations due to its relative effect on the consolidated business. No. of Employees is a good measure of a subsidiary's importance to the consolidated operations and the time and attention management must pay to the subsidiary's operations. | 37.3539% |

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| 200076 | Xcel Foundation | Xcel Foundation services includes the labor and non-labor costs associated with the management and administration of the Xcel Energy Foundation. | General Allocator | Assets/Revenue/No. of Employees | Xcel Foundation services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the service with costs being recorded to account 426.1-Donations. | 37.4419% |
| 200077 | Branding | Branding services includes the labor and non-labor costs for brand advertising and management of community affairs programs such as employee volunteerism, educational programs and community events, the company's investment in major sponsorships such as the Xcel Energy Center as well as ensuring that such sponsorships and related activities support the company's brand, mission, and values. | General Allocator | Assets/Revenue/No. of Employees | Branding services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 37.4419% |
| 200078 | Governmental Affairs | Governmental Affairs includes the labor and non-labor costs associated with the interpretation of laws, regulations, and environmental policy to ensure compliance and cost effectiveness for Xcel Energy customers and stockholders Internal legislative policy development and issues management, appraise management and internal customers of political and policy trends and developments, develop, and maintain relationships with regulatory officials and staff. | General Allocator | Assets/Revenue/No. of Employees | Governmental Affairs services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 37.4563% |
| 200079 | Federal Lobbying | Federal Lobbying services includes the labor and non-labor costs for federal and state lobbying activities and the federal Political Action Committee (PAC). | General Allocator | Assets/Revenue/No. of Employees | Federal Lobbying services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are provided to a subset of companies based on who benefits from the services. These costs are recorded in FERC 426.4. | 37.4563% |
| 200080 | Capital Asset Accounting | Capital Asset Accounting includes the labor and non-labor costs associated with operating and non-operating company capital asset accounting, budgeting, regulatory reporting, business area support for utility areas, and operating company budgeting support. | General Allocator | Assets/Revenue/No. of Employees | Capital Asset Accounting services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5202% |
| 200081 | Accounting, Reporting & Taxes | Accounting, Reporting & Taxes services includes the labor and non-labor costs for preparation of operating and non-operating financial statements, tax returns and reporting, performing accounting for the employee benefit plans, ensuring compliance with applicable laws and regulations of the operating and non-operating companies; composing the corporate-wide regulatory accounting policy, and coordinating the budgeting process with the operating and non-operating companies. | General Allocator | Assets/Revenue/No. of Employees | Accounting Reporting & Taxes services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5790% |
| 200082 | Audit Services | Audit Services includes the labor and non-labor costs for auditing operating and non-operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating and non-operating companies, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating and non-operating companies, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating and non-operating companies. | General Allocator | Assets/Revenue/No. of Employees | Audit Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5790% |
| 200083 | Corporate Finance, Treasury & Cash Management | Corporate Finance, Treasury & Cash Management services includes the labor and non-labor costs related to equity and debt securities issuance, cash management, relationships with financial institutions, compliance with debt covenants, Service Company portion of General and Excess liability insurance, and management of the Pension Fund and 401k benefits for operating companies. | General Allocator | Assets/Revenue/No. of Employees | Corporate Finance, Treasury & Cash Management services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5790% |
| 200084 | Risk Management | Risk Management develops and negotiates security agreements with counterparties; reviews high-risk vendor creditworthiness for the Environmental Services group; supports wind generation, solar carbon offsets, emission allowances, bundled energy and RECs, biomass and other renewable energy purchase agreements; participates in industry contracts working groups; representing Xcel Energy operating utilities; performs production cost modeling and analysis for corporate budgeting; analyzing value and risks of structured purchases and generation system modifications; performs long range system modeling to evaluate large capacity acquisition alternatives; provides central coordination of annual capital funding process for Distribution and maintains and administers the Risk Registry database, evaluates and prioritizes specific risk mitigations for Distribution assets; develops strategies for Distribution infrastructure including building and implementing stochastic models for asset life-cycle analysis and other ad hoc asset specific requests; creates retail and system load and energy forecasts providing regular updates to senior management and analyses of key drivers; provides data support and analyses for financial disclosures; and provides analyses and reporting of current sales and peak demand levels relative to forecasts. | General Allocator | Assets/Revenue/No. of Employees | Risk Management services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5790% |
| 200086 | Legal & Claims Services | Legal & Claims Services includes the labor and non-labor costs for operating and non-operating legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate, contracts, and claims services related to casualty, public, and company claims. | General Allocator | Assets/Revenue/No. of Employees | Legal & Claims Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5790% |
| 200087 | Accounting, Reporting & Tax - Regulated | Accounting, Reporting & Tax - Regulated includes the labor and non-labor costs associated with operating company revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting & Tax - Regulated services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies based on who benefits from the services. | 42.5866% |

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| 200088 | Accounting, Reporting, Tax & Audit Services - Regulated Electric | Accounting, Reporting, Tax & Audit Services - Regulated Electric includes the labor and non-labor costs associated specifically with operating company electric utility revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, capital asset accounting auditing operating companies , evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies electric utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies electric utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies electric utility. Additionally, costs for electric association dues including Edison Electric Institute (EEI). | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services - Regulated Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies with electric operations who benefits from the services. | 42.5866% |
| 200089 | Audit Services - OpCo's & TransCo's | Audit Services - OpCo's & TransCo's includes the labor and non-labor costs for auditing operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies. | General Allocator | Assets/Revenue/No. of Employees | Audit Services - OpCo's & TransCo's services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 42.5866% |
| 200090 | Risk Management - OpCo's & TransCo's | Risk Management - OpCo's & TransCo's includes the labor and non-labor costs of oversight and administrative of operating company risk management work, working with counterparties to establish enabling agreements with operating companies, risk management reports including all operating companies (such as CDAD - Contract Development, Approval & Delegation or TRC- Transaction Review Committee Reporting). | General Allocator | Assets/Revenue/No. of Employees | Risk Management - OpCo's & TransCo's services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 42.5866% |
| 200091 | Captive Insurance | Captive Insurance - The Property Loss Control Engineers services includes the labor and non-labor costs for each primary Operating Company(s) as well as all of Energy Supply Services. Having an expertise in an area, they lend support to each other and members of Energy Supply, and the Utilities Group, throughout the corporation. Fire Protection, Transformer Maintenance, Turbine Characteristics, Policies and Procedures are some of the areas in which expertise has been developed. This expertise is then shared on a regular basis to the benefit of all OpCo's and it is further shared at periodic Engineering meetings hosted by Hazard Insurance, which bring together Engineers from the OpCo's, the Property Loss Control Engineers and Insurance Company representatives to promote Loss Control. | General Allocator | Assets/Revenue/No. of Employees | Captive Insurance services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies who benefit from the services. | 42.5866% |
| 200092 | Corporate Strategy & Business Development | Corporate Strategy & Business Development services include the labor and non-labor costs associated with providing leadership for the implementation of company-wide business strategies and plans; portfolio management including the evaluation of potential opportunities for mergers, acquisitions, and divestitures; providing financial, analytical and reporting support; researching and providing business intelligence information. | General Allocator | Assets/Revenue/No. of Employees | Corporate Strategy & Business Development services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies who benefit from the services. | 42.5866% |
| 200093 | Legal - OpCo's & TransCo's | Legal - OpCo's & TransCo's services include the labor and non-labor costs for operating companies' legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts. | General Allocator | Assets/Revenue/No. of Employees | Legal - OpCo's & TransCo's services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies and Transmission-only companies who benefit from the services. | 42.5866% |
| 200094 | Supply Chain | Supply Chain includes the labor and non-labor costs for operating companies diversity program expenses as well as various dues for specific sponsored agencies (Chamber of Commerce, social service dues, etc.) | General Allocator | Assets/Revenue/No. of Employees | Supply chain services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies who benefit from the services. | 42.5866% |
| 200095 | Electric Vehicle Programs FERC 912 | Electric Vehicle Programs FERC 912 services includes the labor and non-labor costs of providing management and overall program support to the Electric Vehicle (EV) organization, maximizing business value of the EV information systems, developing and implementing the program plan and strategy. | Cost Causative | Electric Vehicle Plant | Electric Vehicle Programs FERC 912 using electric vehicle plant to allocate EV program costs is reasonable because there is a cost causative relationship with electric vehicle plant and the EV program operations supported by the program organization. | 29.1386% |
| 200096 | Energy Markets - Business Services | Energy Markets Business Services includes the labor and non-labor costs for financial analysis, budgeting and administrative support, managerial reporting and business planning and process initiatives, independent daily forward valuation and risk measurement of commodity transactions and system fuel and purchase power requirements to meet system loads, as well as proprietary or trading transactions; creates retail system load and energy forecasts providing regular updates to senior management and analyses of key drivers, reviews and provides comments to dealmakers on non-standard agreements and associated confirmation agreements in the areas of coal supply, gas supply, wood fuel, rail, trucking, structured power purchases and nuclear/uranium concentrates and services; provides analyses for electric/gas hedge studies and sensitivities; creates load management forecast, jurisdictional peak demand forecasts, and cost of service studies for energy trading and marketing. | General Allocator | Assets/Revenue/No. of Employees | Energy Markets - Business Services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5866% |
| 200097 | Accounting and Finance Software Applications Maintenance | Accounting and Finance Software Applications Maintenance services include the labor and non-labor operating costs for the application development and maintenance of the software applications used for accounting and finance business functions. | General Allocator | Assets/Revenue/No. of Employees | Accounting and Finance Software Applications Maintenance - The Business Systems expenses related to maintenance of this system that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to a subset of companies based on who benefits from the services. | 42.5866% |

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| 200098 | Electric Transmission FERC 566 | Electric Transmission FERC 566 services include Transmission electric labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Transmission FERC 566 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 42.5866% |
| 200099 | Electric Distribution FERC 588 | Electric Distribution FERC 588 services include electric Distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Distribution FERC 588 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 42.5867% |
| 200100 | Accounting, Reporting, Tax & Audit Services – Regulated Gas | Accounting, Reporting, Tax & Audit Services – Regulated Gas includes the labor and non-labor costs associated specifically with gas utility revenue accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, capital asset accounting, auditing, evaluating and improving risk management, ethical conduct and the implementation of best practices for operating companies gas utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies gas utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies gas utility. Additionally, costs for gas association dues including American Gas Association (AGA). | General Allocator | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services – Regulated Gas services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies gas utility who benefit from the services. | 49.7752% |
| 200101 | Legal Gas | Legal Gas services include the labor and non-labor costs for operating companies gas utility legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts. This is primarily used by the General Counsel area. | General Allocator | Assets/Revenue/No. of Employees | Legal Gas services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies who benefit from the services. | 49.7752% |
| 200102 | Gas Distribution FERC 880 | Gas Distribution FERC 880 services include gas Distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Gas Distribution FERC 880 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 49.7752% |
| 200103 | Electric Distribution PSCo & SPS FERC 588 | Electric Distribution PSCo & SPS FERC 588 services include electric distribution labor and non-labor costs associated with accounting, budgeting, regulatory reporting, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Electric Distribution PSCo & SPS FERC 588 charges that cannot be directly charged to a specific legal entity and are corporate in nature. The three-factor formula is used because these charges are comprised of a broad spectrum of activities and no measurable method of cost causative allocation was found. | 0.0000% |
| 200104 | Accounting & Reporting – PSCo & SPS | Accounting & Reporting - PSCo & SPS includes the labor and non-labor costs associated with PSCo & SPS accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting - PSCo & SPS services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to PSCo & SPS who benefit from the services. | 0.0000% |
| 200105 | Accounting & Reporting - NSPM & NSPW | Accounting & Reporting - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting - NSPM & NSPW services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW who benefit from the services. | 85.7426% |
| 200106 | Accounting & Reporting Electric - NSPM & NSPW | Accounting & Reporting Electric - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting specific to the electric utility. | General Allocator | Assets/Revenue/No. of Employees | Accounting & Reporting Electric - NSPM & NSPW services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW electric utility who benefit from the services. | 85.7426% |
| 200107 | Legal - NSPM & NSPW | Legal - NSPM & NSPW services include the labor and non-labor costs for legal services related to: labor and employment law, litigation, rates and regulation, environmental matters, real estate and contracts specific to NSPM & NSPW. This is primarily used by the General Counsel area. | General Allocator | Assets/Revenue/No. of Employees | Legal - NSPM & NSPW services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW who benefit from the services. | 85.7426% |
| 200108 | Advanced Metering Infrastructure (AMI) | Advanced Metering Infrastructure (AMI) includes the labor and non-labor costs associated with AMI. | Cost Causative | No. of AMI Enabled Meters | Advanced Metering Infrastructure (AMI) using No. of AMI Enabled Meters to allocate costs is reasonable because there is a cost causative relationship with the companies with AMI enabled meters. | 42.3393% |
| 200111 | Enterprise Application Integration (EAI) | Enterprise Application Integration (EAI) includes the labor and non-labor costs associated with the management of information systems infrastructure and working with IT Project Managers to ensure that new systems are positioned to function as successfully as possible in terms of overall performance and communication with other systems. | Cost Causative | Average of a Select Set of Software Allocators | Enterprise Application Integration (EAI) using average of selected software systems to allocate costs is reasonable because EAI is primarily the server costs supporting the selected software applications and benefits the companies using the software applications. | 38.2768% |
| 200112 | Mainframe Charges | Mainframe Charges include labor and non-labor costs related to mainframe expenses for development, maintenance, and licensing. The Mainframe is comprised of three applications: Time, Transaction System, and Monitoring Device Management System applications. This is used primarily by the Business Systems Organization. | Cost Causative | Average of a Select Set of Software Allocators | Mainframe Charges expenses cannot be directly charged to a specific legal entity as the system is used by multiple entities. Using an average of selected software systems to allocate costs is reasonable because Mainframe primarily supports these selected software systems. | 26.9095% |
| 200115 | Miscellaneous Applications | Miscellaneous Applications includes the labor and non-labor costs associated with the management of information systems infrastructure and working with IT project managers to ensure that new systems are positioned to function as successfully as possible in terms of overall performance and communication with other systems. | Cost Causative | Average of All Software Percentages | Miscellaneous Applications using average of all software systems to allocate costs is reasonable because Miscellaneous Applications is primarily the server costs supporting the software applications and benefits the companies using the software applications. | 34.4241% |
| 200116 | Distribution Electric Supervision & Engineering (S&E) FERC 580 | Distribution Electric Supervision & Engineering (S&E) FERC 580 services includes the labor and expenses incurred in the general supervision and direction of the operation of the electric distribution system. | Cost Causative | Electric Distribution Plant | Distribution Electric Supervision & Engineering (S&E) FERC 580 using the electric distribution plant to allocate the costs is reasonable because there is a cost causative relationship with the operations supported by electric distribution. | 34.7013% |
| 200117 | Distribution Electric Metering FERC 586 | Distribution Electric Metering FERC 586 services include labor, materials used, and expenses incurred in the operation of customer meters and associated equipment (e.g. electric distribution meters standards and development, meter purchases, etc. | Cost Causative | Electric Distribution Plant | Distribution Electric Metering FERC 586 using electric distribution plant to allocate meter costs is reasonable because there is a cost causative relationship with the electric distribution plant and meter operations supported by electric distribution. | 34.7013% |
| 200118 | Distribution Electric Load Dispatching/EMS FERC 581 | Distribution Electric Load Dispatching/EMS FERC 581 services include labor, materials used, and expenses incurred in load dispatching operations pertaining to the distribution of electricity. This includes Energy Management Systems (EMS) which provides supervisory control and data acquisition (SCADA) of substation devices through Remote Terminal Units (RTU's). | Cost Causative | Electric Distribution Plant | Distribution Electric Load Dispatching/EMS FERC 581 using electric distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by load dispatching/EMS-distribution. | 34.7013% |

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| 200119 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 services include labor, materials used, and expenses incurred in distribution system operation not provided for elsewhere. This includes software system labor and non-labor costs for the maintenance that support the electric and gas distribution to our customers as well as non-capital engineering & supervision costs. | Cost Causative | Electric Distribution Plant/ Gas Distribution Plant | Distribution Electric & Gas Miscellaneous FERC 588 & 880 using a ratio of electric distribution plant/gas distribution plant to allocate costs is reasonable because there is a cost causative relationship between the work performed by operations and distribution plant. | 32.5574% |
| 200120 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 include the cost of labor, materials used, and expenses incurred in providing Gas Emergency Response (GER) activities for the gas distribution and transmission systems as well as other activities related to the gas distribution and transmission systems. Additionally, costs include the labor and non-labor costs for the application development and maintenance of the GER system. | Cost Causative | Gas Distribution Plant/Gas Transmission Plant | Distribution & Transmission Gas Miscellaneous FERC 588 & 880 using a ratio of gas distribution plant/gas transmission plant to allocate costs is reasonable because the costs are directly related to miscellaneous activities, including Gas Emergency Response work for the gas distribution and gas transmission systems. | 23.3183% |
| 200121 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 services include gas distribution, gas transmission, and electric distribution labor and non-labor costs associated with accounting, budgeting, and regulatory reporting. | Cost Causative | Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 charges that cannot be directly charged to a specific business unit and are corporate in nature. Using a ratio of electric distribution plant/gas transmission plant/gas distribution plant to allocate Utility Group costs is reasonable because there is a cost causative relationship with operations supported by Utilities Group. | 30.9673% |
| 200122 | Transmission Electric Supervision & Engineering (S&E) FERC 560 | Transmission Electric Supervision & Engineering (S&E) FERC 560 services include labor and expenses incurred in the general supervision and direction of the operation of the electric transmission system as a whole. | Cost Causative | Electric Transmission Plant | Transmission Electric Supervision & Engineering (S&E) FERC 560 using electric transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission electric. | 30.6416% |
| 200123 | Transmission Electric Reliability, Planning, & Standards Development FERC 561.5 | Transmission Electric FERC 561.5 services include labor, materials used, and expenses incurred for the system planning of the interconnected bulk electric transmission systems within a planning authority area. Activities include transmission reliability, planning and standards development related to transmission assets and reliability needs and transmission customers' requirements and requests (e.g. developing and maintaining transmission system models, applying methodologies and tools for analysis and simulation of systems, notification of any planned transmission changes and impacts, etc.). | Cost Causative | Electric Transmission Plant | Transmission Electric Reliability, Planning, & Standards Development FERC 561.5 using electric transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission electric. | 30.6416% |
| 200124 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 services include labor, materials used, and expenses incurred to monitor, assess and operate the power system and individual transmission facilities in real-time to maintain safe and reliable operation of the transmission system. This also includes the expense incurred to manage transmission facilities to maintain system reliability and to monitor the real-time flows and direct actions according to regional plans and tariffs as necessary. | Cost Causative | Electric Transmission Plant | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 using electric transmission plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by EMS-transmission. | 30.6416% |
| 200125 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 services include labor and expenses incurred in the general supervision and direction of the operation of the electric transmission system as a whole. This allocation is used when NSPM and NSPW are the only jurisdictions benefiting from the services. | Cost Causative | Electric Transmission Plant | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 using electric transmission plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by transmission electric. | 72.8609% |
| 200126 | Utilities Group Administrative & General (A&G) FERC 921 | Utilities Group Administrative & General (A&G) FERC 921 services includes the labor and non-labor costs for utilities group leadership, management and support services for the Distribution, Transmission, transportation and supply chain areas. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/Gas Distribution Plant | Utilities Group Administrative & General (A&G) FERC 921 using delivery gross plant to allocate costs is reasonable because these costs are directly related to the electric and gas delivery systems. | 30.8456% |
| 200127 | Distribution Gas Supervision & Engineering (S&E) FERC 870 | Distribution Gas Supervision & Engineering (S&E) FERC 870 services include labor and expenses incurred in the general supervision and direction of gas distribution system operations. | Cost Causative | Gas Distribution Plant | Distribution Gas Supervision & Engineering (S&E) FERC 870 using gas distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by distribution gas. | 27.0753% |
| 200128 | Distribution Gas Miscellaneous FERC 880 | Distribution Gas Miscellaneous FERC 880 services include the cost of distribution maps and records, distribution office expenses, and the cost of miscellaneous labor and materials used, and expenses incurred in gas distribution systems. Additionally, the labor and non-labor costs for non-capital engineering and supervision. | Cost Causative | Gas Distribution Plant | Distribution Gas Miscellaneous FERC 880 using gas distribution plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by Distribution Gas. | 27.0753% |
| 200129 | Distribution Gas Meters and House Regulators FERC 878 | Distribution Gas Meters and House Regulators FERC 878 services include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators. | Cost Causative | Gas Distribution Plant | Distribution Gas Meters and House Regulators FERC 878 using gas distribution plant to allocate meter costs is reasonable because there is a cost causative relationship with the gas distribution plant and meter operations supported by gas distribution. | 27.0753% |
| 200130 | Transmission Gas Supervision & Engineering (S&E) FERC 850 | Transmission Gas Supervision & Engineering (S&E) FERC 850 services include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. | Cost Causative | Gas Transmission Plant | Transmission Gas Supervision & Engineering (S&E) FERC 850 using gas transmission plant to allocate costs is reasonable because there is a cost causative relationship with the operations supported by transmission gas. | 8.1837% |
| 200131 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 include the cost of labor, materials used, and expenses incurred in dispatching and controlling the supply and flow of gas through the gas distribution and transmission systems. Additionally, costs include the labor and non-labor costs for the application development and maintenance of the Gas SCADA system. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 using a ratio of gas transmission plant/gas distribution plant to allocate costs is reasonable because the costs are directly related to the monitoring of gas distribution and transmission. | 23.3183% |
| 200132 | Payment & Reporting | Payment & Reporting services includes the labor and non-labor costs associated with processing payments to vendors, providing audit research and reconciliation support for Accounts Payable transactions, preparing statistical and 1099 reporting, and administering the purchase card programs. | Cost Causative | Invoice Transactions | Payment & Reporting using invoice transactions to allocate costs is reasonable because the costs are directly related to invoices processed. | 30.2756% |
| 200133 | Proprietary Trading - Back Office | Proprietary Trading - Back Office includes the labor and non-labor costs associated with the accounting support and vice president oversight of proprietary trading activities. This allocator should be primarily used by Accounting and Finance, or others providing Administrative & General (A&G) activities when the trading deal doesn't involve Xcel Energy Utility generating resources, which is also considered non-asset-based trading activity. | Cost Causative | Joint Operating Agreement Peak Hour Megawatt Load Ratio | Proprietary Trading - Back Office uses the Joint Operating Agreement Peak Hour Megawatt Load Ratio for cost allocations as it is required for the Proprietary Trading services under the JOA. | 44.0788% |

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| 200134 | Proprietary Trading - Front/Mid Office FERC 557 | Proprietary Trading - Front/Mid Office FERC 557 includes the labor and non-labor costs associated with proprietary trading activities which are short term transactions undertaken in the wholesale electric markets where electricity is purchased for the purpose of selling it. Also included are supporting activities: evaluating the credit worthiness of counterparties, reviewing contracts to ensure that regulations are being complied with, evaluating profitability and appropriateness of trades to ensure they are in the best interest of shareholders and rate payers, and ensuring that trades identified as proprietary appropriately fall into that category. | General Allocator | Joint Operating Agreement Peak Hour Megawatt Load Ratio | Proprietary Trading - Front/Mid Office FERC 557 uses the Joint Operating Agreement Peak Hour Megawatt Load Ratio for cost allocations as it is required for the Proprietary Trading services under the JOA. | 44.0788% |
| 200135 | Energy Supply Business Resources | Energy Supply Business Resources services includes the labor and non-labor costs of performance analysis, specialists and analytical services provided to the operating companies' generation facilities. | Cost Causative | MWH Generation | Energy Supply Business Resources using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200136 | Energy Markets - Fuel | Energy Markets - Fuel includes the labor and non-labor costs for planning and implementing power supply portfolios to provide reliable service to native load and to capitalize on market opportunities including purchasing fuel for the operating companies' electric generation system (excluding nuclear) and resource planning and acquisition including purchase power and account management. | Cost Causative | MWH Generation | Energy Markets - Fuel using MWH generation to allocate costs is reasonable because the costs are directly related to the purchase of fuel for generation. | 39.0279% |
| 200137 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200138 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200139 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 39.0279% |
| 200140 | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense PSCO & SPS FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200141 | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) PSCO & SPS FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200142 | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. This allocation is used when PSCO & SPS jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) PSCO & SPS FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 0.0000% |
| 200143 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 services include Energy Supply operations performance services labor and non-labor costs for non-management employees with the following accountabilities: Develop / suggest / implement improvements for multiple power plants, standardize best practices and process improvements across multiple power plants, establish operations and maintenance policies and procedures for multiple power plants. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, & 549 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |
| 200144 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 services include labor and expenses incurred in the general supervision and direction of the operation of steam powered generation stations, hydraulic power generating stations, and other power generating stations. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, & 546 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |

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| 200145 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 services which include management and performance labor and non-labor costs for the following accountabilities: Researching, reviewing, recommending and facilitating the selection of technological alternatives for improved plant and environmental performance. Manage uniform project management process (policies). Planning for physical plant modifications, which includes consolidation and management of short-term and long-term plans for physical plant modifications. Develop and execute innovative technology projects such as: biomass, solar, wind. Implement enterprise project management (EPM) and planning tools. Establish uniform technology, design & equipment standards. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | MWH Generation | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, & 551 using MWH generation to allocate costs is reasonable because the costs are directly related to the support of electric generation facilities. | 96.3235% |
| 200146 | Energy Markets - Regulated Trading | Energy Markets - Regulated Trading services include the labor and non-labor costs of providing electric trading services to the operating companies' electric generation systems, including load management, system optimization and origination. | Cost Causative | MWH Hours Sold | Energy Markets - Regulated Trading using MWH hours sold to allocate costs is reasonable because there is a cost causative relationship between regulated trading activities and the MWH hours sold. | 38.0327% |
| 200147 | Business Objects | Business Objects includes the labor and non-labor costs for the application that provides critical reporting from data universes and tables. | Cost Causative | No. of Business Objects Users | Business Objects using No. of Business Object users to allocate costs is reasonable because the costs are directly related to users who can access the application. | 53.4487% |
| 200148 | Business Systems | Business Systems services includes the costs of providing assistance to computer users across the company. Specifically computer technology risk, software maintenance on applications Distributed to all users (e.g. Microsoft PC tools), governance and project management over all IT projects, fixed management fees with outside vendors, business analytics costs, corrective and preventative maintenance, security, data backup and recovery, help desk, and amortization of outside vendor fees and costs that are not specific to an application that has a specific allocator. | Cost Causative | No. of Computers | Business Systems using No. of computers to allocate costs is reasonable because there is a cost causative relationship between the No. of computers and the cost to support them. | 45.7637% |
| 200149 | Customer & Enterprise Solutions (CES) | Customer & Enterprise Solutions (CES) includes the labor and non-labor costs for the leadership of the Customer & Enterprise Solutions organization and their administrative support staff. | Cost Causative | No. of Computers/ No. of Customers/ No. of Employees | Customer & Enterprise Solutions (CES) using a ratio of No. of Computers/Customers/Employees to allocate costs is reasonable because there is a cost causative relationship with the operations supported by CES. | 43.0526% |
| 200150 | Interactive Voice Response (IVR) | Interactive Voice Response (IVR) includes the labor and non-labor costs for the application development and maintenance of the Interactive Voice Response system which interacts with a customer calling Xcel Energy call centers. It is intended to help service customers without invoking a call center agent. If the call needs to be handled by an agent, account information and the reason for the call is determined which helps route the call to the appropriate agent. | Cost Causative | No. of IVR Contacts | Interactive Voice Response (IVR) using No. of contacts to allocate costs is reasonable because this system is used to take and route customer calls and benefits customers using the call centers. | 33.7340% |
| 200151 | Customer Billing FERC 903 | Customer Billing FERC 903 includes the labor and non-labor costs related to the delivery of billing statements, letters and notices to Xcel customers including postage and outside services costs, oversight and administration of customer billing area, research of billing exceptions, providing escalated customer service assistance with regard to billing issues resolution, and process remittances and receivables. This allocation is used when all four jurisdictions are benefiting from the services. | Cost Causative | No. of Customer Bills | Customer Billing FERC 903 using No. of customer bills to allocate costs is reasonable because the costs are directly related to customer billing activities. | 38.9436% |
| 200152 | Customer Care FERC 902 | Customer Care FERC 902 services includes the labor and non-labor costs for meter reading of retail and wholesale customers and determining consumption for billing purposes as well as executing field collections. | Cost Causative | No. of Customers | Customer Care FERC 902 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.2509% |
| 200153 | Customer Safety Advertising & Information Costs | Customer Safety Advertising & Information costs services includes the labor and non-labor costs associated with public safety advertising, information and education. | Cost Causative | No. of Customers | Customer Safety Advertising & Information Costs using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200154 | Customer Service Information Technology (IT) FERC 903 | Customer Service Information Technology (IT) FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200155 | Customer Care FERC 903 | Customer Care FERC 903 services includes the labor and non-labor costs for contact centers, remittance processing, credit and collections, customer resource management, and contact center training. This allocation is used when all four jurisdictions are benefiting from the services such as responding to residential customer inquiries regarding billings and outages, handling inbound credit calls, outbound collections calls, managing accounts receivables, training call center staffs, developing contact center call forecasts. | Cost Causative | No. of Customers | Customer Care FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200156 | Customer Care FERC 901 | Customer Care FERC 901 services includes the labor and non-labor costs for the leadership of the customer care organization and their administrative support staff such as consulting costs to support overall Customer Care organizational operations. | Cost Causative | No. of Customers | Customer Care FERC 901 using No. of customers to costs is reasonable because the costs are directly related to customers. | 38.3139% |
| 200157 | Customer Service Information Technology (IT) PSCo & SPS FERC 903 | Customer Service Information Technology (IT) PSCo & SPS FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. This allocation is used when PSCo & SPS jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) PSCo & SPS FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 0.0000% |
| 200158 | Customer Care PSCo & SPS FERC 903 | Customer Care PSCo & SPS FERC 903 services includes the labor and non-labor costs for contact centers, and credit and collections, such as responding to commercial customers inquiries at the Business Solution Center. This is primarily used by the Customer Care organization when PSCo & SPS jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Care PSCo & SPS FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 0.0000% |
| 200159 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 services includes the labor and non-labor costs for IT applications related customer billing to customers, call center support and credit and collections. This allocation is used when NSPM & NSPW jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 85.3459% |

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| 200160 | Customer Care NSPM & NSPW FERC 903 | Customer Care NSPM & NSPW FERC 903 services includes the labor and non-labor costs for contact centers, and credit and collections, such as responding to commercial customers inquiries at the Business Solution Center. This is primarily used by the Customer Care organization when NSPM and NSPW jurisdictions are benefiting from the services. | Cost Causative | No. of Customers | Customer Care NSPM & NSPW FERC 903 using No. of customers to allocate costs is reasonable because the costs are directly related to customers. | 85.3459% |
| 200161 | Customer Care Low Income Assistance FERC 908 | Customer Care Low Income Assistance FERC 908 services includes the labor and non-labor costs associated with the low-income energy customer program such as answering calls from customers for referral to low-income assistance agencies, providing information to the agencies in order to process applications for assistance, take pledges/commitments from agencies and process payments from agencies. | Cost Causative | No. of Residential Customers/No. of Low-income customer calls | Customer Care Low Income Assistance FERC 908 using the average of No. of residential customers ratio and No. of Low Income Customer Calls ratio to allocate costs is reasonable because the costs are directly related to customers utilizing the low income assistance programs which is available and a benefit to the retail customer class as a whole | 45.5360% |
| 200162 | Call Logging and Quality Management (CL/QM) FERC 903 | Call Logging and Quality Management (CL/QM) FERC 903 includes the labor and non-labor operating costs for the application development and maintenance of the Call Logging and Quality Management system which is used to monitor and record calls for contact center training and leadership teams. | Cost Causative | No. of Customers/ No. of Contacts | Call Logging and Quality Management (CL/QM) FERC 903 using a ratio of no. of customers/no. of contacts to allocated costs is reasonable because the system benefits current and potential customers using the call centers. | 36.2923% |
| 200163 | Employee Communications | Employee Communications includes the labor and non-labor costs for the development and enhancement of employee awareness and understanding of the company's strategies, priorities, decisions, and performance objectives. It develops and produces regular communication vehicles, including TODAY (daily news bulleting on intranet); XTRA (monthly print publication for all employees and retirees); All Managers E-mail (real-time communication for employees who supervise and manage others); Focus on Financials for all employees; targeted communications for specific business areas, such as Human Resources, and employee meetings. | Cost Causative | No. of Employees | Employee Communications using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 45.0729% |
| 200164 | Payroll | Payroll services include the labor and non-labor costs for processing payroll including consolidation of time collection, calculation of salaries and wages, administration of employee deductions, account Distribution and reconciliation, allocation and accounting for employment taxes and compliance reports. | Cost Causative | No. of Employees | Payroll using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 45.0729% |
| 200165 | Employee Management Systems | Employee Management Systems includes the labor and non-labor costs for the Security Operations Center (SOC), Time capture and processing for payroll and accounting and Human Resources software. These applications and services provide services for the whole company related to enterprise security, including physical access, security monitoring and investigations, payroll and time accounting and employee information databases. | Cost Causative | No. of Employees | Employee Management Systems using No. of Employees to allocate costs is reasonable because the costs are directly related to employees. | 45.0729% |
| 200166 | Human Resources (Diversity/Safety/Employee Relations) | Human Resources (Diversity/Safety/Employee Relations) includes the labor and non-labor costs for work performed for operating and affiliate company employees, such as diversity programs, providing workforce relations resources for labor agreements, arbitration, and training. Manage, design, and implement Corporate Safety initiatives. Staffing administration for non-bargaining positions and provides Affirmative Action plans (development) and government audit management (compliance). | Cost Causative | No. of Employees | Human Resources (Diversity/Safety/Emp Relations) using No. of Employees to allocate Human Resources costs is reasonable because the costs are directly related to employees. | 45.0801% |
| 200167 | e-Business | The e-Business system includes the labor and non-labor costs associated with the corporate electronic business infrastructure. | Cost Causative | No. of Employees | e-Business using No. of Employees to allocate costs is reasonable because the costs benefit employees. | 45.0801% |
| 200168 | Gas Transaction System (GTS) FERC 866 & 880 | Gas Transaction System (GTS) FERC 866 & 880 supports Xcel Energy gas transportation business including contracts, nominations/allocations, end-user measurement, imbalance management, and input for billing. also supports gas system supply, other balancing services. Costs include labor and non-labor for the application development and maintenance of the Gas Transaction System. | Cost Causative | No. of Gas Customers | Gas Transaction System (GTS) FERC 866 & 880 using No. of gas transport customers to allocate costs is reasonable because this system benefits gas commercial customers such as powerplants and businesses. | 0.0017% |
| 200169 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 includes the labor and non-labor costs for the non-critical applications that support the Energy Supply area. Such as Emissions Tracker, Labworks, SAP WAM, Documentum and Meridian. | Cost Causative | No. of WAM ES Users | Energy Supply Systems Miscellaneous FERC 506, 539, & 549 using the no. of WAM ES users to allocate the costs is reasonable because there is a direct causal relationship with the operations supported by WAM ES. | 34.3944% |
| 200170 | Meter Reading and Monitoring Systems FERC 902 | Meter Reading and Monitoring Systems FERC 902 includes the labor and non-labor operating costs for the application development and maintenance of the software applications needed to read and monitor gas and electric meters, including Meter Data Management (MDM) and Meter Data Lake (MDL). | Cost Causative | No. of Meters | Meter Reading and Monitoring Systems FERC 902 using No. of meters to allocate costs is reasonable because there is a direct causal relationship with the companies use of systems to monitor meters. | 35.6538% |
| 200171 | Customer Resource System (CRS) FERC 903 | Customer Resource System (CRS) FERC 903 includes the labor and non-labor costs for the CRS system, specifically, application development and maintenance costs, licensing fees, server system costs and technology risk costs specific to disaster recovery of this application. CRS is Xcel Energy's customer service and billing system. | Cost Causative | No. of Meters/ No. of Contacts | Customer Resource System (CRS) FERC 903 using a ratio of no. of meters/no. of contacts to allocate costs is reasonable because there is a direct causal relationship with the operations supported by CRS. | 34.9622% |
| 200172 | Network | Network services include the labor and non-labor costs for the operation, maintenance, and management of Xcel Energy's internal and external Information Technology Network. This includes circuits, firewalls, and communication assets. | Cost Causative | Phones/ Radios/ Computers | Network using a ratio of phones/radios/computers to allocate costs is reasonable because the network supports these major items. | 48.3891% |
| 200173 | Generation Trading/Native Hedge - Back Office | Generation Trading/Native Hedge - Back Office includes the labor and non-labor costs associated with oversight and administration of accounting related trading costs including generation trading and native hedge. This allocator should be primarily used by Accounting and Finance, or others providing Administrative & General (A&G) activities when energy trades are executed using one of Xcel Energy Utilities generation resources. | Cost Causative | Joint Operating Agreement Labor Hours Ratio | Gen/Prop Trading - Back Office use of Joint Operating Agreement Labor Hours Ratio is reasonable because there is a direct correlation between the front office activities and the mid-office and back-office activities. It is required to use the Joint Operating Agreement for the Proprietary split for these accounting and trading costs. | 25.1461% |

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| 200174 | Generation Trading/Native Hedge - Mid Office FERC 557 | Generation Trading/Native Hedge - Mid Office FERC 557 includes the labor and non-labor costs associated with independent evaluation and risk measurement of trading and generation book transactions, including preparing daily P&L (profit and loss) reports and individual trader profit and loss reports for the prop book, daily generation book valuation reports for each system showing all net fuel positions and any forward sales values and/or hedges, ensuring that margin reporting follows all SEC rules and GAAP reporting and that credit and risk policies and procedures are complied with. | Cost Causative | Joint Operating Agreement Labor Hours Ratio | Gen/Prop Trading - Mid Office FERC 557 use of Joint Operating Agreement Labor Hours Ratio is reasonable because there is a direct correlation between the front office activities and the mid-office and back-office activities. It is required to use the Joint Operating Agreement for the Proprietary split for these accounting and trading costs. | 30.3697% |
| 200176 | Marketing & Sales | Marketing & Sales services includes the labor and non-labor costs for marketing and sales services for the operating companies for their customers including strategic planning, segment identification, business analysis, sales planning, customer service, promoting products to the business market, and providing regulatory and policy support with respect to utility energy efficiency and demand response program design, evaluation, measurement and verification, cost effectiveness testing , and cost recovery. | Cost Causative | Revenue | Marketing & Sales using revenue to allocate costs is reasonable because Marketing & Sales support the revenue-producing operations of the company. | 41.0407% |
| 200177 | Rates & Regulation - Electric | Rates & Regulation - Electric includes the labor and non-labor costs for determining the regulated utilities' electric utility revenue requirements and rates for electric customers regulatory strategy, coordinating the regulatory compliance requirements, establishing, and maintaining relationships with regulatory bodies, policy development of regulatory and legislative strategy, preparing and organizing rate case filings. | Cost Causative | Direct Labor Dollars | Rates & Regulation Electric using direct labor dollars to allocate costs is reasonable because it represents the direct time spent on setting revenue requirements for each operating company. | 47.1704% |
| 200178 | Rates & Regulation | Rates & Regulation includes the labor and non-labor costs for determining the regulated utilities' revenue requirements and rates for electric and gas customers regulatory strategy, coordinating the regulatory compliance requirements, establishing, and maintaining relationships with regulatory bodies, policy development of regulatory and legislative strategy, preparing and organizing rate case filings. | Cost Causative | Direct Labor Dollars | Rates & Regulation using direct labor dollars to allocate costs is reasonable because it represents the direct time spent on setting revenue requirements for each operating company. | 47.1704% |
| 200180 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 provides supervisory control and data acquisition of substation devices through Remote Terminal Units (RTU's). EMS-Shared system includes the labor and non-labor costs for the application development and maintenance of the Electric Transmission, Distribution and Production Plant information operations. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 using a ratio of electric production plant/electric transmission plant/electric distribution plant to allocate costs is reasonable because there is a direct causal relationship with the operations supported by EMS-Shared. | 40.2649% |
| 200181 | Energy Supply Environmental Policy & Services | Energy Supply Environmental Policy & Services include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | Energy Supply Environmental Policy & Services using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 38.0547% |
| 200182 | Energy Supply Environmental Policy & Services NSPM & NSPW | ES Environmental Policy & Services NSPM & NSPW functions which include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. This allocation is used when NSPM and NSPW jurisdictions are benefiting from the services. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | ES Environmental Policy & Services NSPM & NSPW using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 84.9892% |
| 200183 | Energy Supply Environmental Policy & Services PSCo & SPS | ES Environmental Policy & Services PSCo & SPS functions which include the labor and non-labor costs dedicated to air quality, renewable energy, innovative technology and climate change, develop corporate compliance strategy, regulatory agency interaction (both at the federal and/or state level), permitting and compliance reporting, waste management, combustion byproducts management, environmental compliance auditing, provide support to the Environmental Council and assist with environmental communications strategies. This allocation is used when PSCo and SPS jurisdictions are benefiting from the services. | Cost Causative | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | ES Environmental Policy & Services PSCo & SPS using gross plant assets to allocate costs is reasonable because the costs are directly related to the environmental policies and services which are generated by the operation and ownership of the assets. | 0.0000% |
| 200184 | System Resources | System Resources includes the labor and non-labor operating costs for integrated system planning and cross-functional operational initiatives that benefit electric, gas, distribution, transmission, and energy supply. Costs include systems used to support plant activities which includes PowerPlan, the capital asset business system which includes the following modules. Fixed Assets, Power Tax, Property Tax, Projects, Budgets, Cost Repository, Depreciation studies and Depreciation forecast. This includes the application development and maintenance costs, licensing fees, server system costs and technology risk costs specific to disaster recovery of this application. Additionally, costs for UAS Fleet Management application which is used in association with Drone flights to inspect plant and facilities. | Cost Causative | Total Plant | System Resources using total plant to allocate costs is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining integrated system resources to plant assets. | 41.1636% |
| 200805 | HomeServe Administrative Charges – Non-Utility 417.1 | HomeServe Administrative Charges – Non-Utility 417,1 includes the labor and non-labor costs, including but not limited to business administration, software, technology, and customer care costs related to all HomeServe support activities | Cost Causative | HomeServe Administrative Charges | HomeServe Administrative Charges – Non-Utility 417,1 to allocate costs is reasonable because the costs are directly related to the support responsibilities of the business activity. | 62.5200% |
| 200806 | Generation Modeling- 557 | Generation Modeling 557 includes the labor and non-labor cost for electric generation modeling activities and assets. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | Generation Modeling 557 using a ratio of total plant to allocate cost is reasonable because there is a direct causal relationship with the planning, developing, and maintaining integrated system resources to deliver safe reliable gas and electric service. | 40.2649% |

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| 201501 | Utilities Group Operations - 524, 588, 880 | Utilities Group Operations 524, 588 & 880 includes the labor and non-labor costs for gas and electric distribution, as well as nuclear production operations. | Cost Causative | Electric Distribution Plant/ Gas Distribution Plant/ Nuclear Production Plant | Utilities Group Operation 524, 588 & 880 using a ratio of electric distribution plant, gas distribution plant and nuclear production plant is reasonable because these costs are directly related to the maintenance and operation of the assets. | 42.1867% |
| 201502 | Energy Delivery Operations- 566, 880, & 557 | Energy Delivery Operations 566, 880 & 557 includes the labor and non labor costs for the generation of electric energy, and the operation of electric transmission and gas distribtion plant and software assets. | Cost Causative | Electric Transmission Plant/Gas Distribution Plant/ Electric Production Plant | Energy Delivery Operations 566, 880 & 557 using a ratio of electric transmission plant, gas distribution plant, and electric production plant is reasonable because these costs are directly related to the operation and maintenance of the assets. | 40.4181% |
| 201503 | Energy Delivery Operations- 566, 588, 859 & 880 | Energy Delivery Operations 566, 588, 859 & 880 includes the labor and non-labor costs for the operation of electric and gas transmission and distribution assets, and software. | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | Energy Delivery Operations 566, 588, 859 & 880 using a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant is reasonable because these costs are directly related to the ownership, operation and maintenance of these assets. | 30.8456% |
| 201504 | Steam Production- 506 | Steam Electric Production Plant 506 includes the labor and non-labor costs for the operation of steam production plant and software assets. | Cost Causative | Steam Production Plant | Steam Electric Production Plant 506 using a ratio of steam production plant is reasonable because the costs are directly related to the operation and maintenance of steam production plant assets. | 30.3719% |
| 201505 | Electric Production and Transmission Operations- 566 & 557 | Electric Production and Transmission 566 & 557 includes the labor and non-labor costs for the production and transmission of electric energy. | Cost Causative | Electric Transmission Plant/ Electric Production Plant | Electric Production and Transmission 566 & 557 using a ratio of electric production and electric transmission plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 42.7323% |
| 201506 | Transmission and Distribution Software Systems FERC 569.2, 588, 859 & 880 | Transmission Electric & Gas and Distribution Electric & Gas FERC 569.2, 859, 588 & 880 services include electric transmission, gas transmission, electric distribution, and gas distribution labor, materials used, and expenses incurred in the electric and gas delivery plant system operation not provided for elsewhere. This includes software system labor and non-labor costs for the maintenance that support the electric and gas delivery plant to our customers as well as non-capital engineering & supervision costs. | Cost Causative | Electric/Gas distribution plant and electric/gas transmission plant | Using delivery gross plant to allocate cost is reasonable because these costs are directly related to the electric and gas delivery systems. | 30.8456% |
| 201507 | Gas Delivery Operations- 813 | Gas Delivery 813 includes the labor and non-labor costs for the operation of gas transmission and distribution plant and software assets. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant | Gas Delivery 813 using a ratio of gas transmission and gas distribution plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 23.3183% |
| 201508 | Electric Transmission & Gas Delivery Operations- 557, 566, 859 & 880 | Electric Transmission & Gas Delivery Operations 566, 859 & 880 includes the labor and non-labor cost for the operation of electric transmission, gas transmission, and gas distribution assets and software. | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Gas Distribution Plant | Electric Transmission & Gas Delivery Operations 566, 859 & 880 using a ratio of electric transmission plant, gas transmission plant and gas distribution plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 39.2772% |
| 201509 | Electric Production and Gas Delivery Operations- 557 & 813 | Electric Production and Gas Delivery Operations 557 & 813 includes the labor and non-labor costs for the operation of electric production, gas transmission, and gas distribution plant and software assets. | Cost Causative | Gas Transmission Plant/ Gas Distribution Plant/ Electric Production Plant | Electric Production and Gas Delivery Operations 557 & 813 using a ratio of gas transmission plant, gas distribution plant, and electric production plant is reasonable because the costs are directly related to the operation and maintenance of these assets. | 43.4147% |
| 201510 | ISO Market Interface- 576.5 | ISO Market Interface 576.5 includes the labor and non-labor costs for the operation and maintenenance of miscellaneous market operation assets. | Cost Causative | Maximum Peak MWh Generation | ISO Market Interface 576.6 using a ratio of maximum peak MWh generation is reasonable because the costs pertain to energy trading market operations. | 44.0788% |
| 201511 | Distribution Finance - OpCos Common | Distribution Finance - OpCos Common includes the labor and non-labor costs associated specifically with Distribution Finance (both electric and gas) budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Distribution, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Distribution, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Distribution. | Cost Causative | Assets/Revenue/No. of Employees | Distribution Finance - OpCos Common services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies common utility who benefit from the services. | 42.5867% |
| 201512 | Miscellaneous Distribution Expenses FERC 588 | Miscellaneous Distribution Expense FERC 588 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric distribution activities. | Cost Causative | Electric Distribution Plant | Use of electric distribution plant to allocate costs specific to electric distribution is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric distribution plant assets (including the Integrated System Planning organization). | 34.7013% |
| 201513 | Miscellaneous Transmission Expenses FERC 566 | Miscellaneous Transmission Expense FERC 566 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric transmission activities. | Cost Causative | Electric Transmission Plant | Use of electric transmission plant to allocate costs specific to electric transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric transmission plant assets (including the Integrated System Planning organization). | 30.6416% |
| 201514 | Transmission Gas Miscellaneous FERC 859 | Miscellaneous Transmission Expense FERC 859 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for gas transmission activities. | Cost Causative | Gas Transmission Plant | Use of gas transmission plant to allocate costs specific to gas transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining gas transmission plant assets (including the Integrated System Planning organization). | 8.1837% |
| 201515 | Transmission Electric & Gas Miscellaneous FERC 566 & 859 | Miscellaneous Transmission Expense FERC 566 & 859 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric and gas transmission activities. | Cost Causative | Electric Transmission Plant/Gas Transmission Plant | Use of both electric and gas transmission plant to allocate costs specific to both electric and gas transmission is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining both electric and gas transmission plant assets (including the Integrated System Planning organization). | 28.4294% |
| 201516 | Miscellaneous Other Power Generation Expenses FERC 549 | Miscellaneous Other Power Generation Expense FERC 549 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric production activities. | Cost Causative | Electric Production Plant | Use of electric production plant to allocate costs specific to electric production is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric production plant assets (including the Integrated System Planning organization). | 50.5948% |

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| 201517 | Miscellaneous Transmission Expenses (RTO) FERC 566 | Miscellaneous Transmission Expense FERC 566 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric transmission activities, specifically RTO related activities (which excludes PSCo). | Cost Causative | Electric Transmission Plant | Use of electric transmission plant to allocate costs specific to electric transmission RTO activities (which exclude PSCo) is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric transmission plant assets (including the Integrated System Planning organization). | 43.2126% |
| 201518 | Transmission - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5660) | Accounting, Reporting, Tax & Audit Services - Transmission Regulated Electric includes the labor and non-labor costs associated specifically with operating company transmission electric utility accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, capital asset accounting auditing operating companies, evaluating and improving risk management, ethical conduct and the implementation of best practices for transmission electric utility, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for operating companies electric utility, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for the operating companies transmission electric utility. | Cost Causative | Assets/Revenue/No. of Employees | Accounting, Reporting, Tax & Audit Services - Transmission Regulated Electric services specific to electric transmission that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to regulated companies with transmission electric operations who benefits from the services. | 42.5866% |
| 201519 | Transmission - Accounting & Reporting Electric - NSPM & NSPW (FERC 5660) | Transmission Accounting & Reporting Electric - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW transmission accounting, budgeting, regulatory reporting, sales and use taxes, business area support for utility areas, operating company budgeting support, and capital asset accounting specific to the electric utility. | Cost Causative | Assets/Revenue/No. of Employees | Transmission Accounting & Reporting Electric - NSPM & NSPW services specific to electric transmission for NSPM & NSPW and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to NSPM & NSPW electric utility who benefit from the services. | 85.7426% |
| 201520 | Energy Supply - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5570) | Energy Supply Finance, Reporting & Services - Regulated Electric includes the labor and non-labor costs associated specifically with Energy Supply budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Energy Supply, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Energy Supply, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Energy Supply. | Cost Causative | Assets/Revenue/No. of Employees | Energy Supply Finance, Reporting & Services - Regulated Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities from corperate employees the three-factor formula was used. These services are allocated to regulated companies with electric operations who benefits from the services. | 42.5867% |
| 201521 | Energy Supply - Accounting & Reporting Electric - NSPM & NSPW (FERC 5570) | Energy Supply - NSPM & NSPW includes the labor and non-labor costs associated with NSPM & NSPW budgeting, regulatory reporting, business area support for utility areas, operating company budgeting support. | Cost Causative | Assets/Revenue/No. of Employees | Energy Supply Finance - NSPM & NSPW energy supply services that could not be directly charged to a specific legal entity are corporate in nature. Because these services are comprised of a broad spectrum of activities, and preformed by corperate employees, the three-factor formula was used. | 85.7426% |
| 201522 | Distribution Finance - OpCos Electric | Distribution Finance - OpCos Electric includes the labor and non-labor costs associated specifically with Distribution Finance (electric only) budgeting, regulatory reporting, business area support for utility areas, budgeting support, evaluating and improving risk management, ethical conduct and the implementation of best practices for Distribution, conducting financial operations and information system audits, performing audits and reviews for compliance with regulatory and legal requirements and contracts with vendors and other parties; establishing and reviewing internal controls for Distribution, establishing and reviewing SOX compliance requirements/control testing and evaluating contract risks for Distribution. | Cost Causative | Assets/Revenue/No. of Employees | Distribution Finance - OpCos Electric services that could not be directly charged to a specific legal entity and are corporate in nature. Because these services are comprised of a broad spectrum of activities, no measurable method of cost causative allocation was found to allocate these costs therefore the three-factor formula was used. These services are allocated to the operating companies electric utility who benefit from the services. | 42.5867% |
| 201523 | Electric Transmission and Distribution (FERC 5660 & 5880) | Electric Transmission and Distribution services include labor and non-labor costs for support of operating companies' electric transmission and distribution systems. This ACC is primarily used by the Wildfire Mitigation organization to plan for and mitigate wildfire risk to ensure customer and Xcel Energy employee safety. | Cost Causative | Electric Transmission Plant/Electric Distribution Plant | Use of electric transmission and electric distribution plant to allocate costs specific to Wildfire Mitigation is reasonable because there is a direct causal relationship with wildfire risk on electric transmission and distribution plant when planning for and mitigating wildfire risk to ensure customer and Xcel Energy employee safety. | 32.7914% |
| 201524 | Energy Delivery Operations-566, 588 & 557 | Energy Delivery Operations 566, 588 & 557 includes the labor and non-labor costs for the generation of electric energy, and the operation of electric transmission and distribution plant and software assets. | Cost Causative | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | Energy Delivery Operations (FERC 566, 588, and 557) using a ratio of electric transmission plant, electric distribution plant, and electric production plant is reasonable because these costs are directly related to these assets and the electric energy managed through them. | 40.2650% |
| 201525 | FERC898 SWLaborOnly-569.2,592.3,859,880 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | FERC898 SWLaborOnly- 569.2,592.3,859,880 uses a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant because it is for labor associated with energy delivery operations | 30.8456% |
| 201526 | FERC898SWLaborOnly-557,5692,5923,859,880 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Production Plant/Electric Transmission Plant/Electric Distribution Plant/Gas Transmission Plant/Gas Distribution Plant | FERC898SWLaborOnly-557,5692,5923,859,880 uses a ratio of electric transmission plant, gas transmission plant, electric distribution plant, and gas distribution plant because it is for labor associated with energy delivery operations | 38.0546% |
| 201527 | FERC898 Software Labor Only ACC 3- 592.3 | Energy Delivery Operations IT Labor Only | Cost Causative | Electric Distribution Plant | FERC898 Software Labor Only ACC 3- 592.3 uses a ratio of electric distribution plant because it is for labor associated with energy delivery operations | 34.7013% |
| 201528 | FERC898 Software Labor Only ACC 4- 935.2 | IT Software Labor Only for use recording labor for software projects otherwise allocated using general enterprise software allocation, (200074) | Cost Causative | Assets/Revenue/No. of Employees | FERC898 Software Labor Only ACC 4- 935.2 uses three-factor formula because it is for labor associated with enterprise-wide corporate systems (ACC 200074) | 37.3539% |
| 201529 | FERC898 Software Labor Only ACC 5- 935.2 | IT Software Labor Only for use recording labor for software projects otherwise allocated using general 4 OpCo software allocation, (200148) | Cost Causative | No. of Computers | FERC898 Software Labor Only ACC 5- 935.2 uses No. of computers to allocate costs because it is for labor associated with software projects otherwise allocated using general 4 OpCo software allocation (ACC 200148) | 45.7637% |

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| 201530 | FERC898 Hardware Labor Only ACC 6- 935.1 | IT Hardware Only for use recording labor for hardware projects otherwise allocated using general enterprise software allocation (200074) | Cost Causative | Assets/Revenue/No. of Employees | FERC898 Hardware Labor Only ACC 6- 935.1 uses three-factor formula because it is for labor associated with enterprise-wide corporate systems (ACC 200074) | 37.3539% |
| 201531 | FERC898 CommEquipLabor Only ACC 7- 935.3 | IT Communication Equipment Labor Only for use recording labor for software projects otherwise allocated using general 4 OpCo software allocation, (200172) | Cost Causative | No. of Phones/No. of Radios/No. of Computers | FERC898 CommEquipLabor Only ACC 7- 935.3 uses a ratio of phones/radios/computers to allocate costs because it is for labor associated with software projects otherwise allocated using general 4 OpCo software allocation (ACC 200172) | 48.3891% |
| 201532 | Marketing & Sales FERC 908 | Marketing & Sales services includes the labor and non-labor costs for marketing and sales services for the operating companies for their customers including strategic planning, segment identification, business analysis, sales planning, customer service, promoting products to the business market, and providing regulatory and policy support with respect to utility energy efficiency and demand response program design, evaluation, measurement and verification, cost effectiveness testing , and cost recovery. | Cost Causative | Revenue | Marketing & Sales using revenue to allocate costs is reasonable because Marketing & Sales support the revenue-producing operations of the company. | 41.0407% |
| 201533 | Miscellaneous Other Power Generation Expenses FERC 557 | Miscellaneous Other Power Generation Expense FERC 557 services include labor and non-labor costs for operating companies' integrated system planning services related to long-term planning for the generation, transmission and distribution on our electric and natural gas systems and integrating our systems' plans. This ACC is primarily used by the Integrated System Planning organization for electric production activities. | Cost Causative | Electric Production Plant | Use of electric production plant to allocate costs specific to electric production is reasonable because there is a direct causal relationship with the companies planning, developing, and maintaining electric production plant assets (including the Integrated System Planning organization). | 50.5948% |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 200063 | Executive - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200064 | Shareholder - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200065 | Investor Relations - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200066 | Accounting, Reporting & Tax - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200067 | Audit Services - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200068 | Corporate Finance, Treasury & Cash Management - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200069 | Risk Management - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200070 | Corporate Strategy & Business Development - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200071 | Legal - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200072 | Communications - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200073 | Human Resources - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200074 | Corporate Systems – Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200075 | Board of Directors - Corporate Governance | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200076 | Xcel Foundation | Asset/Revenue/Number of Employees | 38.8062% | NSPM Assets - $30,887,247 | Total Assets - $101,519,368 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200077 | Branding | Asset/Revenue/Number of Employees | 38.8062% | NSPM Assets - $30,887,247 | Total Assets - $101,519,368 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200078 | Governmental Affairs | Asset/Revenue/Number of Employees | 38.8207% | NSPM Assets - $30,887,247 | Total Assets - $101,373,669 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200079 | Federal Lobbying | Asset/Revenue/Number of Employees | 38.8207% | NSPM Assets - $30,887,247 | Total Assets - $101,373,669 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 200080 | Capital Asset Accounting | Asset/Revenue/Number of Employees | 43.9070% | NSPM Assets - $30,887,247 | Total Assets - $74,427,693 | NSPM Revenues - $5,865,778 | Total Revenues - $14,308,809 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200081 | Accounting, Reporting & Taxes | Asset/Revenue/Number of Employees | 43.9622% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200082 | Audit Services | Asset/Revenue/Number of Employees | 43.9622% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200083 | Corporate Finance, Treasury & Cash Management | Asset/Revenue/Number of Employees | 43.9622% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200084 | Risk Management | Asset/Revenue/Number of Employees | 43.9622% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200086 | Legal & Claims Services | Asset/Revenue/Number of Employees | 43.9622% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200087 | Accounting, Reporting & Tax - Regulated | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200088 | Accounting, Reporting, Tax & Audit Services - Regulated Electric | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200089 | Audit Services - OpCo's & TransCo's | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200090 | Risk Management - OpCo's & TransCo's | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200091 | Captive Insurance | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200092 | Corporate Strategy & Business Development | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200093 | Legal - OpCo's & TransCo's | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200094 | Supply Chain | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200095 | Electric Vehicle Programs FERC 912 | Electric Vehicle Plant | 29.1386% | NSPM Gross EV Plant (000's)- $22,062 | Total Gross EV Plant (000's)- $75,714 | | | | | | | | |
| 200096 | Energy Markets - Business Services | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200097 | Accounting and Finance Software Applications Maintenance | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200098 | Electric Transmission FERC 566 | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200099 | Electric Distribution FERC 588 | Asset/Revenue/Number of Employees | 43.9692% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200100 | Accounting, Reporting, Tax & Audit Services – Regulated Gas | Asset/Revenue/Number of Employees | 51.3796% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM No. of Employees - 3,920 | Total No. of Employees - 6,813 | | | | |
| 200101 | Legal Gas | Asset/Revenue/Number of Employees | 51.3796% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM No. of Employees - 3,920 | Total No. of Employees - 6,813 | | | | |
| 200102 | Gas Distribution FERC 880 | Asset/Revenue/Number of Employees | 51.3796% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM No. of Employees - 3,920 | Total No. of Employees - 6,813 | | | | |
| 200105 | Accounting & Reporting - NSPM & NSPW | Asset/Revenue/Number of Employees | 86.3532% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM No. of Employees - 3,920 | Total No. of Employees - 4,495 | | | | |
| 200106 | Accounting & Reporting Electric - NSPM & NSPW | Asset/Revenue/Number of Employees | 86.3532% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM No. of Employees - 3,920 | Total No. of Employees - 4,495 | | | | |
| 200107 | Legal - NSPM & NSPW | Asset/Revenue/Number of Employees | 86.3532% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM No. of Employees - 3,920 | Total No. of Employees - 4,495 | | | | |
| 200108 | Advanced Metering Infrastructure (AMI) | No. of AMI Enabled Meters | 42.3393% | NSPM No. of AMI Meters - 1,354,728 | Total AMI Meters - 3,199,693 | | | | | | | | |
| 200111 | Enterprise Application Integration (EAI) | Average of a Select Set of Software Allocators | 39.1929% | NSPM Percentage - 39.1929% | Total Percent - 100% | | | | | | | | |
| 200112 | Mainframe Charges | Average of a Select Set of Software Allocators | 28.2739% | NSPM Percentage - 28.2739% | Total Percent - 100% | | | | | | | | |
| 200115 | Miscellaneous Applications | Average of all Software Percentages | 34.9945% | NSPM Percentage - 34.9945% | Total Percent - 100% | | | | | | | | |
| 200116 | Distribution Electric Supervision & Engineering (S&E) FERC 580 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 200117 | Distribution Electric Metering FERC 586 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 200118 | Distribution Electric Load Dispatching/EMS FERC 581 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 200119 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 | Electric Distribution Plant/ Gas Distribution Plant | 32.5574% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | |
| 200120 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 | Gas Distribution Plant/Gas Transmission Plant | 23.3183% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | |
| 200121 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588. 880. & 859 | Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 30.9673% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | |
| 200122 | Transmission Electric Supervision & Engineering (S&E) FERC 560 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | |
| 200123 | Transmission Electric Reliability, Planning, & Standards Development.FERC 561.5 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | |
| 200124 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | |
| 200125 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 | Electric Transmission Plant | 72.8609% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $6,931,483 | | | | | | | | |
| 200126 | Utilities Group Administrative & General (A&G) FERC 921 | Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | |
| 200127 | Distribution Gas Supervision & Engineering (S&E) FERC 870 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | |
| 200128 | Distribution Gas Miscellaneous FERC 880 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | |
| 200129 | Distribution Gas Meters and House Regulators FERC 878 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | |
| 200130 | Transmission Gas Supervision & Engineering (S&E) FERC 850 | Gas Transmission Plant | 8.1837% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | | | |
| 200131 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 | Gas Transmission Plant/ Gas Distribution Plant | 23.3183% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 200132 | Payment & Reporting | Invoice Transactions | 30.2756% | NSPM Invoice Transactions - 198,745 | Total Invoice Transactions - 656,453 | | | | | | | | |
| 200133 | Proprietary Trading - Back Office | Joint Operating Agreement Peak Hour Megawatt Load Ratio | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | |
| 200134 | Proprietary Trading - Front/Mid Office FERC 557 | Joint Operating Agreement Peak Hour Megawatt Load Ratio | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | |
| 200135 | Energy Supply Business Resources | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | |
| 200136 | Energy Markets - Fuel | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | |
| 200137 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | |
| 200138 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 | MWH Generation (000's) | 38.3471% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | |
| 200139 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 | MWH Generation (000's) | 38.3471% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | |
| 200143 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 | MWH Generation (000's) | 96.3366% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | |
| 200144 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 | MWH Generation (000's) | 96.3366% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | |
| 200145 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 | MWH Generation (000's) | 96.3366% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | |
| 200146 | Energy Markets - Regulated Trading | MWH Hours Sold (000's) | 38.0327% | NSPM MWh Hour Sales - 42,700,391 | Total MWh Hour Sales - 112,272,858 | | | | | | | | |
| 200147 | Business Objects | Number of Business Objects Users | 53.4487% | NSPM No. of Business Objects users - 2,131 | Total No. of Business Objects users - 3,987 | | | | | | | | |
| 200148 | Business Systems | Number of Computers | 45.7637% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | | | | | | | | |
| 200149 | Customer & Enterprise Solutions (CES) | Number of - Computers/Customers/Employees | 44.4351% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | NSPM No. of Customers - 1,755,781 | Total No. of Customers - 4,582,618 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 200150 | Interactive Voice Response (IVR) | Number of Contacts | 33.7340% | NSPM No. of Contacts (IVR) - 2,550,986 | Total No. of Contacts (IVR) - 7,562,064 | | | | | | | | |
| 200151 | Customer Billing FERC 903 | Number of Customer Bills | 38.9436% | NSPM No. of Customer Bills - 1,607,618 | Total No. of Customer Bills - 4,128,068 | | | | | | | | |
| 200152 | Customer Care FERC 902 | Number of Customers | 38.2509% | NSPM No. of Customers - 1,755,824 | Total No. of Customers - 4,590,278 | | | | | | | | |
| 200153 | Customer Safety Advertising & Information Costs | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | |
| 200154 | Customer Service Information Technology (IT) FERC 903 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | |
| 200155 | Customer Care FERC 903 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | |
| 200156 | Customer Care FERC 901 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | |
| 200159 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 | Number of Customers | 85.3459% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 2,057,253 | | | | | | | | |
| 200160 | Customer Care NSPM & NSPW FERC 903 | Number of Customers | 85.3459% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 2,057,253 | | | | | | | | |
| 200161 | Customer Care Low Income Assistance FERC 908 | No. of Residential Customers/No. of Low-income customer calls | 45.5360% | NSPM No. of Residential Customers - 1,549,679 | Total No. of Residential Customers - 3,948,283 | NSPM No. of Calls - 50,859 | Total No. of Calls - 98,141 | | | | | | |
| 200162 | Call Logging and Quality Management (CL/QM) FERC 903 | Number of Customers/Number of Contacts | 36.2923% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | NSPM No. of Contacts - 3,898,101 | Total No. of Contacts - 11,374,450 | | | | | | |
| 200163 | Employee Communications | Number of Employees | 49.1660% | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | | | | | |
| 200164 | Payroll | Number of Employees | 49.1660% | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | | | | | |
| 200165 | Employee Management Systems | Number of Employees | 49.1660% | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | | | | | |
| 200166 | Human Resources (Diversity/Safety/Employee Relations) | Number of Employees | 49.2277% | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | | | | | |
| 200167 | e-Business | Number of Employees | 49.2277% | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | | | | | |
| 200168 | Gas Transaction System (GTS) FERC 866 & 880 | No. of Gas Customers | 0.0017% | NSPM No. of Gas Transport Customers - 28 | Total No. of Gas Transport Customers - 7,485 | | | | | | | | |
| 200169 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 | No. of WAM ES Users | 34.3944% | NSPM No. of WAM ES Users - 443 | Total No. of WAM ES Users - 1,288 | | | | | | | | |
| 200170 | Meter Reading and Monitoring Systems FERC 902 | Number of Meters | 35.6538% | NSPM No. of Meters - 2,178,099 | Total No. of Meters - 6,109,026 | | | | | | | | |
| 200171 | Customer Resource System (CRS) FERC 903 | Number of Meters/Number of Contacts | 34.9622% | NSPM No. of Meters - 2,178,099 | Total No. of Meters - 6,109,026 | NSPM No. of Contacts - 3,898,101 | Total No. of Contacts - 11,374,450 | | | | | | |
| 200172 | Network | Phones/Radios/Computers | 48.3891% | NSPM No. of Phones - 6,152 | Total No. of Phones - 11,619 | NSPM No. of Radios - 3,349 | Total No. of Radios - 7,209 | NSPM No. of Computers - 4,899 | NSPM No. of Computers - 10,705 | | | | |
| 200173 | Generation Trading/Native Hedge - Back Office | Joint Operating Agreement Labor Hours Ratio | 25.1461% | NSPM Percentage - 25.1461% | Total Percent - 100% | | | | | | | | |
| 200174 | Generation Trading/Native Hedge - Mid Office FERC 557 | Joint Operating Agreement Labor Hours Ratio | 30.3697% | NSP Percentage - 30.3697% | Total Percent - 100% | | | | | | | | |
| 200176 | Marketing & Sales | Revenue | 41.0407% | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | | | | | | | | |
| 200177 | Rates & Regulation - Electric | Labor Dollars | 47.1704% | NSPM Labor R&R - $1,646,846 | Total Labor R&R - $3,491,266 | | | | | | | | |
| 200178 | Rates & Regulation | Labor Dollars | 47.1704% | NSPM Labor R&R - $1,646,846 | Total Labor R&R - $3,491,266 | | | | | | | | |
| 200180 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant | 40.2649% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | |
| 200181 | Energy Supply Environmental Policy & Services | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 38.0547% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 |
| 200182 | Energy Supply Environmental Policy & Services NSPM & NSPW | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 84.9892% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $13,545,555 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $6,931,483 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $8,004,512 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $147,382 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $2,460,973 |
| 200184 | System Resources | Total Plant | 41.1636% | NSPM Plant Assets - $34,195,331 | Total Plant Assets - $83,071,735 | | | | | | | | |
| 200805 | HomeServe Administrative Charges – Non-Utility 417.1 | HomeServe Administrative Charges | 62.5200% | NSPM HomeServe Administrative Charges - $(198,816) | Total HomeServe Administrative Charges - $(318,003) | | | | | | | | |
| 200806 | Generation Modeling- 557 | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | 40.2649% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | |
| 201501 | Utilities Group Operations - 524, 588, 880 | Electric Distribution Plant/ Gas Distribution Plant/ Nuclear Production Plant | 42.1867% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Nuclear Prod Plant - $4,298,157 | Total Gross Nuclear Prod Plant - $4,298,157 | | | | |
| 201502 | Energy Delivery Operations- 566, 880, & 557 | Electric Transmission Plant/Gas Distribution Plant/ Electric Production Plant | 40.4181% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | |
| 201503 | Energy Delivery Operations- 566, 588, 859 & 880 | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | |
| 201504 | Steam Production- 506 | Steam Production Plant | 30.3719% | NSPM Gross Electric Steam Prod Plant - $2,238,678 | Total Gross Electric Steam Prod Plant - $7,370,888 | | | | | | | | |
| 201505 | Electric Production and Transmission Operations- 566 & 557 | Electric Transmission Plant/ Electric Production Plant | 42.7323% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | | |
| 201506 | Transmission and Distribution Software Systems FERC 569.2, 588, 859 & 880 | Electric/Gas distribution plant and electric/gas transmission plant | 30.8456% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 201507 | Gas Delivery Operations- 813 | Gas Transmission Plant/ Gas Distribution Plant | 23.3183% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | |
| 201508 | Electric Transmission & Gas Delivery Operations- 557, 566, 859 & 880 | Electric Transmission Plant/ Gas Transmission Plant/ Gas Distribution Plant | 39.2772% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | |
| 201509 | Electric Production and Gas Delivery Operations- 557 & 813 | Gas Transmission Plant/ Gas Distribution Plant/ Electric Production Plant | 43.4147% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $23,345,966 | | | | |
| 201510 | ISO Market Interface- 576.5 | Maximum Peak MWh Generation | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | |
| 201511 | Distribution Finance - OpCos Common | Asset/Revenue/Number of Employees | 43.9692% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 201512 | Miscellaneous Distribution Expenses FERC 588 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 201513 | Miscellaneous Transmission Expenses FERC 566 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | |
| 201514 | Transmission Gas Miscellaneous FERC 859 | Gas Transmission Plant | 8.1837% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | | | |
| 201515 | Transmission Electric & Gas Miscellaneous FERC 566 & 859 | Electric Transmission Plant/Gas Transmission Plant | 28.4294% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | |
| 201516 | Miscellaneous Other Power Generation Expenses FERC 549 | Electric Production Plant | 50.5948% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $23,345,966 | | | | | | | | |
| 201517 | Miscellaneous Transmission Expenses (RTO) FERC 566 | Electric Transmission Plant | 43.2126% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $11,687,179 | | | | | | | | |
| 201518 | Transmission - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5660) | Asset/Revenue/Number of Employees | 43.9691% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 201519 | Transmission - Accounting & Reporting Electric - NSPM & NSPW (FERC 5660) | Asset/Revenue/Number of Employees | 86.3532% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM No. of Employees - 3,920 | Total No. of Employees - 4,495 | | | | |
| 201520 | Energy Supply - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5570) | Asset/Revenue/Number of Employees | 43.9692% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 201521 | Energy Supply - Accounting & Reporting Electric - NSPM & NSPW (FERC 5570) | Asset/Revenue/Number of Employees | 86.3532% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM No. of Employees - 3,920 | Total No. of Employees - 4,495 | | | | |
| 201522 | Distribution Finance - OpCos Electric | Assets/Revenue/Number of Employees | 43.9692% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,963 | | | | |
| 201523 | Electric Transmission and Distribution (FERC 5660 & 5880) | Electric Transmission Plant/Electric Distribution Plant | 32.7914% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | |
| 201524 | Energy Delivery Operations- 566, 588 & 557 | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | 40.2650% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | |
| 201525 | FERC898 SWLaborOnly- 569.2,592.3,859,880 | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | |
| 201526 | FERC898SWLaborOnly-557,5692,5923,859,880 | Electric Production Plant/Electric Transmission Plant/Electric Distribution Plant/Gas Transmission Plant/Gas Distribution Plant | 38.0546% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 |
| 201527 | FERC898 Software Labor Only ACC 3- 592.3 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 201528 | FERC898 Software Labor Only ACC 4- 935.2 | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 201529 | FERC898 Software Labor Only ACC 5- 935.2 | No. of Computers | 45.7637% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | | | | | | | | |
| 201530 | FERC898 Hardware Labor Only ACC 6- 935.1 | Asset/Revenue/Number of Employees | 38.7231% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM No. of Employees - 3,920 | Total No. of Employees - 7,973 | | | | |
| 201531 | FERC898 CommEquipLabor Only ACC 7- 935.3 | No. of Phones/No. of Radios/No. of Computers | 48.3891% | NSPM No. of Phones - 6,152 | Total No. of Phones - 11,619 | NSPM No. of Radios - 3,349 | Total No. of Radios - 7,209 | NSPM No. of Computers - 4,899 | NSPM No. of Computers - 10,705 | | | | |
| 201532 | Marketing & Sales FERC 908 | Revenue | 41.0407% | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | | | | | | | | |
| 201533 | Miscellaneous Other Power Generation Expenses FERC 557 | Electric Production Plant | 50.5948% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | | | | |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 200063 | Executive - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200064 | Shareholder - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200065 | Investor Relations - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200066 | Accounting, Reporting & Tax - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200067 | Audit Services - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200068 | Corporate Finance, Treasury & Cash Management - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200069 | Risk Management - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200070 | Corporate Strategy & Business Development - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200071 | Legal - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200072 | Communications - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200073 | Human Resources - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200074 | Corporate Systems – Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200075 | Board of Directors - Corporate Governance | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | | |
| 200076 | Xcel Foundation | Assets/Revenue/FTE Hours | 37.4419% | NSPM Assets - $30,887,247 | Total Assets - $101,519,368 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | |
| 200077 | Branding | Assets/Revenue/FTE Hours | 37.4419% | NSPM Assets - $30,887,247 | Total Assets - $101,519,368 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | |
| 200078 | Governmental Affairs | Assets/Revenue/FTE Hours | 37.4563% | NSPM Assets - $30,887,247 | Total Assets - $101,373,669 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | |
| 200079 | Federal Lobbying | Assets/Revenue/FTE Hours | 37.4563% | NSPM Assets - $30,887,247 | Total Assets - $101,373,669 | NSPM Revenues - $5,865,778 | Total Revenues - $15,927,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | |
| 200080 | Capital Asset Accounting | Assets/Revenue/FTE Hours | 42.5202% | NSPM Assets - $30,887,247 | Total Assets - $74,427,693 | NSPM Revenues - $5,865,778 | Total Revenues - $14,308,809 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,652 | | | | | |
| 200081 | Accounting, Reporting & Taxes | Assets/Revenue/FTE Hours | 42.5790% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,646 | | | | | |
| 200082 | Audit Services | Assets/Revenue/FTE Hours | 42.5790% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,646 | | | | | |
| 200083 | Corporate Finance, Treasury & Cash Management | Assets/Revenue/FTE Hours | 42.5790% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,646 | | | | | |
| 200084 | Risk Management | Assets/Revenue/FTE Hours | 42.5790% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,646 | | | | | |
| 200086 | Legal & Claims Services | Assets/Revenue/FTE Hours | 42.5790% | NSPM Assets - $30,887,247 | Total Assets - $74,191,656 | NSPM Revenues - $5,865,778 | Total Revenues - $14,297,322 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,646 | | | | | |
| 200087 | Accounting, Reporting & Tax - Regulated | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200088 | Accounting, Reporting, Tax & Audit Services - Regulated Electric | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200089 | Audit Services - OpCo's & TransCo's | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200090 | Risk Management - OpCo's & TransCo's | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200091 | Captive Insurance | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200092 | Corporate Strategy & Business Development | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200093 | Legal - OpCo's & TransCo's | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200094 | Supply Chain | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200095 | Electric Vehicle Programs FERC 912 | Electric Vehicle Plant | 29.1386% | NSPM Gross EV Plant (000's)- $22.062 | Total Gross EV Plant (000's)- $75.714 | | | | | | | | | |
| 200096 | Energy Markets - Business Services | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200097 | Accounting and Finance Software Applications Maintenance | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200098 | Electric Transmission FERC 566 | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200099 | Electric Distribution FERC 588 | Assets/Revenue/FTE Hours | 42.5867% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200100 | Accounting, Reporting, Tax & Audit Services – Regulated Gas | Assets/Revenue/FTE Hours | 49.7752% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM FTE Hours - 11,110 | Total FTE Hours - 21,072 | | | | | |
| 200101 | Legal Gas | Assets/Revenue/FTE Hours | 49.7752% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM FTE Hours - 11,110 | Total FTE Hours - 21,072 | | | | | |
| 200102 | Gas Distribution FERC 880 | Assets/Revenue/FTE Hours | 49.7752% | NSPM Assets - $30,887,247 | Total Assets - $62,875,327 | NSPM Revenues - $5,865,778 | Total Revenues - $12,354,952 | NSPM FTE Hours - 11,110 | Total FTE Hours - 21,072 | | | | | |
| 200105 | Accounting & Reporting - NSPM & NSPW | Assets/Revenue/FTE Hours | 85.7426% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM FTE Hours - 11,110 | Total FTE Hours - 13,013 | | | | | |
| 200106 | Accounting & Reporting Electric - NSPM & NSPW | Assets/Revenue/FTE Hours | 85.7426% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM FTE Hours - 11,110 | Total FTE Hours - 13,013 | | | | | |
| 200107 | Legal - NSPM & NSPW | Assets/Revenue/FTE Hours | 85.7426% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM FTE Hours - 11,110 | Total FTE Hours - 13,013 | | | | | |
| 200108 | Advanced Metering Infrastructure (AMI) | No. of AMI Enabled Meters | 42.3393% | NSPM No. of AMI Meters - 1,354,728 | Total AMI Meters - 3,199,693 | | | | | | | | | |
| 200111 | Enterprise Application Integration (EAI) | Average of a Select Set of Software Allocators | 38.2768% | NSPM Percentage - 38.2768% | Total Percent - 100% | | | | | | | | | |
| 200112 | Mainframe Charges | Average of a Select Set of Software Allocators | 26.9095% | NSPM Percentage - 26.9095% | Total Percent - 100% | | | | | | | | | |
| 200115 | Miscellaneous Applications | Average of all Software Percentages | 34.4241% | NSPM Percentage - 34.4241% | Total Percent - 100% | | | | | | | | | |
| 200116 | Distribution Electric Supervision & Engineering (S&E) FERC 580 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | | |
| 200117 | Distribution Electric Metering FERC 586 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | | |
| 200118 | Distribution Electric Load Dispatching/EMS FERC 581 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | | |
| 200119 | Distribution Electric & Gas Miscellaneous FERC 588 & 880 | Electric Distribution Plant/ Gas Distribution Plant | 32.5574% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | |
| 200120 | Distribution & Transmission Gas Miscellaneous FERC 859 & 880 | Gas Distribution Plant/Gas Transmission Plant | 23.3183% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant – $7,254,848 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | | |
| 200121 | Distribution Electric & Gas and Transmission Gas Miscellaneous FERC 588, 880, & 859 | Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 30.9673% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | |
| 200122 | Transmission Electric Supervision & Engineering (S&E) FERC 560 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | | |
| 200123 | Transmission Electric Reliability, Planning, & Standards Development FERC 561.5 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,988 | | | | | | | | | |
| 200124 | Transmission Electric Load Dispatch-Monitor and Operate Transmission System FERC 561.2 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | | |
| 200125 | Transmission Electric Supervision & Engineering (S&E) NSPM & NSPW FERC 560 | Electric Transmission Plant | 72.8609% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $6,931,483 | | | | | | | | | |
| 200126 | Utilities Group Administrative & General (A&G) FERC 921 | Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,988 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | |
| 200127 | Distribution Gas Supervision & Engineering (S&E) FERC 870 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | | |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 200128 | Distribution Gas Miscellaneous FERC 880 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | | |
| 200129 | Distribution Gas Meters and House Regulators FERC 878 | Gas Distribution Plant | 27.0753% | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | | | |
| 200130 | Transmission Gas Supervision & Engineering (S&E) FERC 850 | Gas Transmission Plant | 8.1837% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | | | | |
| 200131 | Distribution & Transmission Gas System Control and Load Dispatching FERC 851 & 871 | Gas Transmission Plant/ Gas Distribution Plant | 23.3183% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | | |
| 200132 | Payment & Reporting | Invoice Transactions | 30.2756% | NSPM Invoice Transactions - 198,745 | Total Invoice Transactions - 656,453 | | | | | | | | | |
| 200133 | Proprietary Trading - Back Office | Joint Operating Agreement Peak Hour Megawatt Load Ratio | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | | |
| 200134 | Proprietary Trading - Front/Mid Office FERC 557 | Joint Operating Agreement Peak Hour Megawatt Load Ratio | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | | |
| 200135 | Energy Supply Business Resources | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | | |
| 200136 | Energy Markets - Fuel | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | | |
| 200137 | Energy Supply Miscellaneous Power Expense FERC 506, 539, 549, & 5592 | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | | |
| 200138 | Energy Supply Operation Supervision & Engineering (S&E) FERC 500, 535, 546, & 5591 | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | | |
| 200139 | Energy Supply Maintenance Supervision & Engineering (S&E) FERC 510, 541, 551, & 5596 | MWH Generation (000's) | 39.0279% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 70,717,897 | | | | | | | | | |
| 200143 | Energy Supply Miscellaneous Power Expense NSPM & NSPW FERC 506, 539, 549, & 5592 | MWH Generation (000's) | 96.3235% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | | |
| 200144 | Energy Supply Operation Supervision & Engineering (S&E) NSPM & NSPW FERC 500, 535, 546, & 5591 | MWH Generation (000's) | 96.3235% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | | |
| 200145 | Energy Supply Maintenance Supervision & Engineering (S&E) NSPM & NSPW FERC 510, 541, 551, & 5596 | MWH Generation (000's) | 96.3235% | NSPM MWH Generation - 27,599,752 | Total MWH Generation - 28,653,205 | | | | | | | | | |
| 200146 | Energy Markets - Regulated Trading | MWH Hours Sold (000's) | 38.0327% | NSPM MWh Hour Sales - 42,700,391 | Total MWh Hour Sales - 112,272,858 | | | | | | | | | |
| 200147 | Business Objects | Number of Business Objects Users | 53.4487% | NSPM No. of Business Objects users - 2,131 | Total No. of Business Objects users - 3,987 | | | | | | | | | |
| 200148 | Business Systems | Number of Computers | 45.7637% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | | | | | | | | | |
| 200149 | Customer & Enterprise Solutions (CES) | Number of - Computers/Customers/FTE Hours | 43.0526% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | NSPM No. of Customers - 1,755,781 | Total No. of Customers - 4,582,618 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | |
| 200150 | Interactive Voice Response (IVR) | Number of Contacts | 33.7340% | NSPM No. of Contacts (IVR) - 2,550,986 | Total No. of Contacts (IVR) - 7,562,064 | | | | | | | | | |
| 200151 | Customer Billing FERC 903 | Number of Customer Bills | 38.9436% | NSPM No. of Customer Bills - 1,607,618 | Total No. of Customer Bills - 4,128,068 | | | | | | | | | |
| 200152 | Customer Care FERC 902 | Number of Customers | 38.2509% | NSPM No. of Customers - 1,755,824 | Total No. of Customers - 4,590,278 | | | | | | | | | |
| 200153 | Customer Safety Advertising & Information Costs | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | | |
| 200154 | Customer Service Information Technology (IT) FERC 903 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | | |
| 200155 | Customer Care FERC 903 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | | |
| 200156 | Customer Care FERC 901 | Number of Customers | 38.3139% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | | | | | | | | | |
| 200159 | Customer Service Information Technology (IT) NSPM & NSPW FERC 903 | Number of Customers | 85.3459% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 2,057,253 | | | | | | | | | |
| 200160 | Customer Care NSPM & NSPW FERC 903 | Number of Customers | 85.3459% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 2,057,253 | | | | | | | | | |
| 200161 | Customer Care Low Income Assistance FERC 908 | No. of Residential Customers/No. of Low-income customer calls | 45.5360% | NSPM No. of Residential Customers - 1,549,679 | Total No. of Residential Customers - 3,948,283 | NSPM No. of Calls - 50,859 | Total No. of Calls - 98,141 | | | | | | | |
| 200162 | Call Logging and Quality Management (CL/QM) FERC 903 | Number of Customers/Number of Contacts | 36.2923% | NSPM No. of Customers Excluding Wholesale - 1,755,781 | Total No. of Customers Excluding Wholesale - 4,582,618 | NSPM No. of Contacts - 3,898,101 | Total No. of Contacts - 11,374,450 | | | | | | | |
| 200163 | Employee Communications | FTE Hours | 45.0729% | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | | | | | |
| 200164 | Payroll | FTE Hours | 45.0729% | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | | | | | |
| 200165 | Employee Management Systems | FTE Hours | 45.0729% | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,649 | | | | | | | | | |
| 200166 | Human Resources (Diversity/Safety/Employee Relations) | FTE Hours | 45.0801% | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | | | | | |
| 200167 | e-Business | FTE Hours | 45.0801% | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | | | | | | |
| 200168 | Gas Transaction System (GTS) FERC 866 & 880 | No. of Gas Customers | 0.0017% | NSPM No. of Gas Transport Customers - 28 | Total No. of Gas Transport Customers - 7,485 | | | | | | | | | |
| 200169 | Energy Supply Systems Miscellaneous FERC 506, 539, 549, & 5592 | No. of WAM ES Users | 34.3944% | NSPM No. of WAM ES Users - 443 | Total No. of WAM ES Users - 1,288 | | | | | | | | | |
| 200170 | Meter Reading and Monitoring Systems FERC 902 | Number of Meters | 35.6538% | NSPM No. of Meters - 2,178,099 | Total No. of Meters - 6,109,026 | | | | | | | | | |
| 200171 | Customer Resource System (CRS) FERC 903 | Number of Meters/Number of Contacts | 34.9622% | NSPM No. of Meters - 2,178,099 | Total No. of Meters - 6,109,026 | NSPM No. of Contacts - 3,898,101 | Total No. of Contacts - 11,374,450 | | | | | | | |
| 200172 | Network | Phones/Radios/Computers | 48.3891% | NSPM No. of Phones - 6,152 | Total No. of Phones - 11,619 | NSPM No. of Radios - 3,349 | Total No. of Radios - 7,209 | NSPM No. of Computers - 4,899 | NSPM No. of Computers - 10,705 | | | | | |
| 200173 | Generation Trading/Native Hedge - Back Office | Joint Operating Agreement Labor Hours Ratio | 25.1461% | NSPM Percentage - 25.1461% | Total Percent - 100% | | | | | | | | | |
| 200174 | Generation Trading/Native Hedge - Mid Office FERC 557 | Joint Operating Agreement Labor Hours Ratio | 30.3697% | NSP Percentage - 30.3697% | Total Percent - 100% | | | | | | | | | |
| 200176 | Marketing & Sales | Revenue | 41.0407% | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | | | | | | | | | |
| 200177 | Rates & Regulation - Electric | Labor Dollars | 47.1704% | NSPM Labor R&R - $1,646,846 | Total Labor R&R - $3,491,266 | | | | | | | | | |
| 200178 | Rates & Regulation | Labor Dollars | 47.1704% | NSPM Labor R&R - $1,646,846 | Total Labor R&R - $3,491,266 | | | | | | | | | |
| 200180 | EMS-Shared (Energy Management System-SCADA) FERC 556, 561.2, & 581 | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant | 40.2649% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | |
| 200181 | Energy Supply Environmental Policy & Services | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 38.0547% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | |
| 200182 | Energy Supply Environmental Policy & Services NSPM & NSPW | Electric Production Plant/ Electric Transmission Plant/ Electric Distribution Plant/ Gas Transmission Plant/ Gas Distribution Plant | 84.9892% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $13,545,555 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $6,931,483 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $8,004,512 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $147,382 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $2,460,973 | |
| 200184 | System Resources | Total Plant | 41.1636% | NSPM Plant Assets - $34,195,331 | Total Plant Assets - $83,071,735 | | | | | | | | | |
| 200805 | HomeServe Administrative Charges – Non-Utility 417.1 | HomeServe Administrative Charges | 62.5200% | NSPM HomeServe Administrative Charges - $(198,816) | Total HomeServe Administrative Charges - $(318,003) | | | | | | | | | |
| 200806 | Generation Modeling- 557 | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | 40.2649% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | |
| 201501 | Utilities Group Operations - 524, 588, 880 | Electric Distribution Plant/ Gas Distribution Plant/ Nuclear Production Plant | 42.1867% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Nuclear Prod Plant - $4,298,157 | Total Gross Nuclear Prod Plant - $4,298,157 | | | | | |
| 201502 | Energy Delivery Operations- 566, 880, & 557 | Electric Transmission Plant/Gas Distribution Plant/ Electric Production Plant | 40.4181% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | |

| Allocating Cost Center | Allocating Cost Center Description | Method of Allocation | Percentage | Allocation Statistics | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 201503 | Energy Delivery Operations- 566, 588, 859 & 880 | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | |
| 201504 | Steam Production- 506 | Steam Production Plant | 30.3719% | NSPM Gross Electric Steam Prod Plant - $2,238,678 | Total Gross Electric Steam Prod Plant - $7,370,888 | | | | | | | | |
| 201505 | Electric Production and Transmission Operations- 566 & 557 | Electric Transmission Plant/ Electric Production Plant | 42.7323% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | | |
| 201506 | Transmission and Distribution Software Systems FERC 569.2, 588, 859 & 880 | Electric/Gas distribution plant and electric/gas transmission plant | 30.8456% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | |
| 201507 | Gas Delivery Operations- 813 | Gas Transmission Plant/ Gas Distribution Plant | 23.3183% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | | | | | |
| 201508 | Electric Transmission & Gas Delivery Operations- 557, 566, 859 & 880 | Electric Transmission Plant/ Gas Transmission Plant/ Gas Distribution Plant | 39.2772% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | |
| 201509 | Electric Production and Gas Delivery Operations- 557 & 813 | Gas Transmission Plant/ Gas Distribution Plant/ Electric Production Plant | 43.4147% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $23,345,966 | | | | |
| 201510 | ISO Market Interface- 576.5 | Maximum Peak MWh Generation | 44.0788% | NSPM Peak MWH - 8,822 | Total Peak MWH - 20,014 | | | | | | | | |
| 201511 | Distribution Finance - OpCos Common | Assets/Revenue/FTE Hours | 42.5867% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | |
| 201512 | Miscellaneous Distribution Expenses FERC 588 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 201513 | Miscellaneous Transmission Expenses FERC 566 | Electric Transmission Plant | 30.6416% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | | | | | | | | |
| 201514 | Transmission Gas Miscellaneous FERC 859 | Gas Transmission Plant | 8.1837% | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | | | |
| 201515 | Transmission Electric & Gas Miscellaneous FERC 566 & 859 | Electric Transmission Plant/Gas Transmission Plant | 28.4294% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | | | | | | |
| 201516 | Miscellaneous Other Power Generation Expenses FERC 549 | Electric Production Plant | 50.5948% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $23,345,966 | | | | | | | | |
| 201517 | Miscellaneous Transmission Expenses (RTO) FERC 566 | Electric Transmission Plant | 43.2126% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $11,687,179 | | | | | | | | |
| 201518 | Transmission - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5660) | Assets/Revenue/FTE Hours | 42.5866% | NSPM Assets - $30,887,247 | Total Assets - $74,178,155 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | |
| 201519 | Transmission - Accounting & Reporting Electric - NSPM & NSPW (FERC 5660) | Assets/Revenue/FTE Hours | 85.7426% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM FTE Hours - 11,110 | Total FTE Hours - 13,013 | | | | |
| 201520 | Energy Supply - Accounting, Reporting, Tax & Audit Services - Regulated Electric (FERC 5570) | Assets/Revenue/FTE Hours | 42.5867% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | |
| 201521 | Energy Supply - Accounting & Reporting Electric - NSPM & NSPW (FERC 5570) | Assets/Revenue/FTE Hours | 85.7426% | NSPM Assets - $30,887,247 | Total Assets - $35,093,123 | NSPM Revenues - $5,865,778 | Total Revenues - $6,996,693 | NSPM FTE Hours - 11,110 | Total FTE Hours - 13,013 | | | | |
| 201522 | Distribution Finance - OpCos Electric | Assets/Revenue/FTE Hours | 42.5867% | NSPM Assets - $30,887,247 | Total Assets - $74,177,999 | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,645 | | | | |
| 201523 | Electric Transmission and Distribution (FERC 5660 & 5880) | Electric Transmission Plant/Electric Distribution Plant | 32.7914% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | |
| 201524 | Energy Delivery Operations- 566, 588 & 557 | Electric Transmission Plant/ Electric Distribution Plant/ Electric Production Plant | 40.2650% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | |
| 201525 | FERC898 SWLaborOnly- 569.2,592.3,859,880 | Electric Transmission Plant/ Gas Transmission Plant/ Electric Distribution Plant/ Gas Distribution Plant | 30.8456% | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 | | |
| 201526 | FERC898SWLaborOnly-557,5692,5923,859,880 | Electric Production Plant/Electric Transmission Plant/Electric Distribution Plant/Gas Transmission Plant/Gas Distribution Plant | 38.0546% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | NSPM Gross Electric Trans Plant - $5,050,340 | Total Gross Electric Trans Plant - $16,481,986 | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | NSPM Gross Gas Trans Plant - $147,382 | Total Gross Gas Trans Plant - $1,800,932 | NSPM Gross Gas Dist Plant - $1,964,269 | Total Gross Gas Dist Plant - $7,254,848 |
| 201527 | FERC898 Software Labor Only ACC 3- 592.3 | Electric Distribution Plant | 34.7013% | NSPM Gross Electric Dist Plant - $6,437,355 | Total Gross Electric Dist Plant - $18,550,734 | | | | | | | | |
| 201528 | FERC898 Software Labor Only ACC 4- 935.2 | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | |
| 201529 | FERC898 Software Labor Only ACC 5- 935.2 | No. of Computers | 45.7637% | NSPM No. of Computers - 4,899 | Total No. of Computers - 10,705 | | | | | | | | |
| 201530 | FERC898 Hardware Labor Only ACC 6- 935.1 | Assets/Revenue/FTE Hours | 37.3539% | NSPM Assets - $30,887,247 | Total Assets - $102,201,661 | NSPM Revenues - $5,865,778 | Total Revenues - $15,947,631 | NSPM FTE Hours - 11,110 | Total FTE Hours - 24,657 | | | | |
| 201531 | FERC898 CommEquipLabor Only ACC 7- 935.3 | No. of Phones/No. of Radios/No. of Computers | 48.3891% | NSPM No. of Phones - 6,152 | Total No. of Phones - 11,619 | NSPM No. of Radios - 3,349 | Total No. of Radios - 7,209 | NSPM No. of Computers - 4,899 | NSPM No. of Computers - 10,705 | | | | |
| 201532 | Marketing & Sales FERC 908 | Revenue | 41.0407% | NSPM Revenues - $5,865,778 | Total Revenues - $14,292,585 | | | | | | | | |
| 201533 | Miscellaneous Other Power Generation Expenses FERC 557 | Electric Production Plant | 50.5948% | NSPM Gross Electric Prod Plant - $12,823,726 | Total Gross Electric Prod Plant - $25,345,966 | | | | | | | | |

| | | | | | | Current Method | | | | | FTE Hours Method | | | | | Impact | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Allocating Cost Center | Allocating Cost Center Description | Allocation Method | Current Method | FTE Hours Method | Variance | XES Total Amount (2026 Budget) | NSPM Total Company Amount | Common | Electric | Gas | Non-Reg | NSPM Total Company Revised Amount | Common | Electric | Gas | Non-Reg | NSPM Impact | Common | Electric | Gas | Non-Reg |
| 200063 | Executive - Corp Governance | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | $ 85,165,599 | $ 32,978,760 | $ 32,978,760 | $ - | $ - | $ - | $ 31,812,673 | $ 31,812,673 | $ - | $ - | $ - | $ (1,166,087) | $ (1,166,087) | $ - | $ - | $ - |
| 200064 | Shareholder - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200065 | Investor Relations - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 2,640,334 | 1,022,419 | 1,022,419 | - | - | - | 986,268 | 986,268 | - | - | - | (36,151) | (36,151) | - | - | - |
| 200066 | Accts. & Reporting - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 9,630,511 | 3,729,233 | 3,729,233 | - | - | - | 3,597,372 | 3,597,372 | - | - | - | (131,861) | (131,861) | - | - | - |
| 200067 | Audit Services - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 3,336,469 | 1,291,984 | 1,291,984 | - | - | - | 1,246,301 | 1,246,301 | - | - | - | (45,683) | (45,683) | - | - | - |
| 200068 | Finance & Treasury - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 11,821,549 | 4,577,670 | 4,577,670 | - | - | - | 4,415,809 | 4,415,809 | - | - | - | (161,861) | (161,861) | - | - | - |
| 200069 | Risk Management - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 346,358 | 134,120 | 134,120 | - | - | - | 129,378 | 129,378 | - | - | - | (4,742) | (4,742) | - | - | - |
| 200070 | Corporate Strategy & Bus Dev - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 6,043,739 | 2,339,936 | 2,339,936 | - | - | - | 2,257,199 | 2,257,199 | - | - | - | (82,737) | (82,737) | - | - | - |
| 200071 | Legal - Corp Governance | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 13,383,302 | 5,182,437 | 5,182,437 | - | - | - | 4,999,193 | 4,999,193 | - | - | - | (183,244) | (183,244) | - | - | - |
| 200072 | Communications - Corp Gov | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 9,183,778 | 3,556,244 | 3,556,244 | - | - | - | 3,430,499 | 3,430,499 | - | - | - | (125,744) | (125,744) | - | - | - |
| 200073 | HR Corp Governance | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 7,563,316 | 2,928,751 | 2,928,751 | - | - | - | 2,825,194 | 2,825,194 | - | - | - | (103,557) | (103,557) | - | - | - |
| 200074 | Corporate Systems | Assets/Revenue/No. of Employees (Corp Gov) | 38.7231% | 37.3539% | -1.3692% | 32,272,649 | 12,496,970 | 12,496,970 | - | - | - | 12,055,093 | 12,055,093 | - | - | - | (441,877) | (441,877) | - | - | - |
| 200075 | Board of Directors - Corp Gov | Asset/Revenue/Number of Employees | 38.7231% | 37.3539% | -1.3692% | 5,089,498 | 1,970,807 | 1,970,807 | - | - | - | 1,901,122 | 1,901,122 | - | - | - | (69,685) | (69,685) | - | - | - |
| 200076 | Xcel Foundation | Assets/Revenue/No. of Employees (Corp Gov) | 38.8062% | 37.4419% | -1.3643% | 10,310,104 | 4,000,960 | 4,000,960 | - | - | - | 3,860,299 | 3,860,299 | - | - | - | (140,661) | (140,661) | - | - | - |
| 200077 | Branding | Assets/Revenue/No. of Employees (Corp Gov) | 38.8062% | 37.4419% | -1.3643% | 12,142,332 | 4,711,977 | 4,711,977 | - | - | - | 4,546,320 | 4,546,320 | - | - | - | (165,658) | (165,658) | - | - | - |
| 200078 | Governmental Affairs | Assets/Revenue/No. of Employees | 38.8207% | 37.4563% | -1.3644% | 7,690,925 | 2,985,671 | 2,985,671 | - | - | - | 2,880,736 | 2,880,736 | - | - | - | (104,935) | (104,935) | - | - | - |
| 200079 | Federal Lobbying | Assets/Revenue/No. of Employees | 38.8207% | 37.4563% | -1.3644% | 2,775,625 | 1,077,517 | - | - | - | 1,077,517 | 1,039,646 | - | - | - | 1,039,646 | (37,871) | - | - | - | (37,871) |
| 200080 | CA ACCTG | Assets/Revenue/No. of Employees/Unique Iteration of meth | 43.9070% | 42.5202% | -1.3868% | 901,901 | 395,998 | 395,998 | - | - | - | 383,490 | 383,490 | - | - | - | (12,508) | (12,508) | - | - | - |
| 200081 | Accts. Reportinv. & Taxes | Assets/Revenue/No. of Employees | 43.9622% | 42.5790% | -1.3832% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200082 | Audit Services | Assets/Revenue/No. of Employees | 43.9622% | 42.5790% | -1.3832% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200083 | Finance & Treasury | Asset/Revenue/Number of Employees | 43.9622% | 42.5790% | -1.3832% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200084 | Risk Management | Asset/Revenue/Number of Employees | 43.9622% | 42.5790% | -1.3832% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200085 | Legal | Assets/Revenue/No. of Employees | 43.9622% | 42.5790% | -1.3832% | 584,626 | 257,015 | 257,015 | - | - | - | 248,928 | 248,928 | - | - | - | (8,087) | (8,087) | - | - | - |
| 200087 | Accounting - Oo Co's | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 11,958,480 | 5,257,156 | 5,257,156 | - | - | - | 5,091,858 | 5,091,858 | - | - | - | (165,298) | (165,298) | - | - | - |
| 200088 | Accounting OPCos Elec | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 7,234,368 | 3,180,887 | - | - | - | 3,180,887 | 3,080,871 | - | - | - | 3,080,871 | (100,015) | - | - | - | (100,015) |
| 200089 | AUDIT Serv OPCos | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200090 | Risk OPCos | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 3,767,925 | 1,656,729 | 1,656,729 | - | - | - | 1,604,939 | 1,604,939 | - | - | - | (52,091) | (52,091) | - | - | - |
| 200091 | Captive Insurance | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 36,838,495 | 16,197,555 | 16,197,555 | - | - | - | 15,688,262 | 15,688,262 | - | - | - | (509,292) | (509,292) | - | - | - |
| 200092 | CORP STRAT OPCo | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 3,187,880 | 1,401,682 | 1,401,682 | - | - | - | 1,357,610 | 1,357,610 | - | - | - | (44,072) | (44,072) | - | - | - |
| 200093 | LEGAL OPCos | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | (4,369,924) | (1,921,232) | (1,921,232) | - | - | - | (1,860,823) | (1,860,823) | - | - | - | 60,408 | 60,408 | - | - | - |
| 200094 | Supply Chain | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200096 | Energy Markets - Business Services | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 2,608,560 | 1,146,960 | 1,146,960 | - | - | - | 1,110,897 | 1,110,897 | - | - | - | (36,063) | (36,063) | - | - | - |
| 200097 | PCI | Asset/Revenue/Number of Employees | 43.9691% | 42.5868% | -1.3825% | 657,667 | 289,170 | 289,170 | - | - | - | 280,078 | 280,078 | - | - | - | (9,092) | (9,092) | - | - | - |
| 200098 | Transm Elec FERC 566 | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | 351,004 | 154,333 | - | 154,333 | - | - | 149,481 | - | 149,481 | - | - | (4,853) | - | (4,853) | - | - |
| 200099 | Elec Dist FERC 588 | Assets/Revenue/No. of Employees | 43.9692% | 42.5867% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200100 | AUDIT OPCos Gas | Assets/Revenue/No. of Employees | 51.3796% | 49.7752% | -1.6044% | 200 | 103 | - | - | 103 | - | 100 | - | - | 100 | - | (3) | - | - | (3) | - |
| 200101 | Legal OPCo Gas | Assets/Revenue/No. of Employees | 51.3796% | 49.7752% | -1.6044% | 682,386 | 350,607 | - | - | 350,607 | - | 339,659 | - | - | 339,659 | - | (10,948) | - | - | (10,948) | - |
| 200102 | Gas Dist FERC 813 | Assets/Revenue/No. of Employees | 51.3796% | 49.7752% | -1.6044% | 122,840 | 63,115 | - | - | 63,115 | - | 61,144 | - | - | 61,144 | - | (1,971) | - | - | (1,971) | - |
| 200105 | Accounting NSPM & NSPW | Assets/Revenue/No. of Employees | 86.3532% | 85.7426% | -0.6106% | 636,187 | 549,368 | 549,368 | - | - | - | 545,484 | 545,484 | - | - | - | (3,885) | (3,885) | - | - | - |
| 200106 | Accts NSPM & NSPW Electric | Assets/Revenue/No. of Employees | 86.3532% | 85.7426% | -0.6106% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200107 | LEGAL NSPM & NSPW | Assets/Revenue/No. of Employees | 86.3532% | 85.7426% | -0.6106% | 338,277 | 292,113 | 292,113 | - | - | - | 290,047 | 290,047 | - | - | - | (2,066) | (2,066) | - | - | - |
| 200111 | E&I/ESB (Enterprise Application Integration/Enterprise Service Bus) | Average of a Select Set of Software Allocators | 39.1929% | 38.2788% | -0.9141% | 157,721,468 | 61,816,617 | 49,951,020 | 7,799,327 | 4,065,271 | - | 60,370,731 | 48,506,133 | 7,799,327 | 4,065,271 | - | (1,444,886) | (1,444,886) | - | - | - |
| 200112 | Mainframe Charges From IBM | Average of a Select Set of Software Allocators | 28.2739% | 26.9093% | -1.3644% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 200115 | Misc. Applications | Average of All Software Percentages | 34.9045% | 34.4241% | -0.5704% | 4,577,642 | 1,601,923 | 1,103,962 | 379,967 | 117,993 | - | 1,575,812 | 1,077,851 | 379,967 | 117,993 | - | (26,111) | (26,111) | - | - | - |
| 200149 | CES | Number of Computers/Number of Customers/Number of Em | 44.4351% | 43.0624% | -1.3825% | 985,402 | 437,864 | 437,864 | - | - | - | 424,241 | 424,241 | - | - | - | (13,623) | (13,623) | - | - | - |
| 200163 | Employee Communications | No. Of Employees | 49.1660% | 45.0729% | -4.0931% | 978,411 | 481,046 | 481,046 | - | - | - | 440,998 | 440,998 | - | - | - | (40,047) | (40,047) | - | - | - |
| 200164 | Payroll | No. Of Employees | 49.1660% | 45.0729% | -4.0931% | 2,140,781 | 1,052,536 | 1,052,536 | - | - | - | 964,912 | 964,912 | - | - | - | (87,624) | (87,624) | - | - | - |
| 200165 | Security Systems | No. Of Employees | 49.1660% | 45.0729% | -4.0931% | 23,531,883 | 11,569,688 | 11,569,688 | - | - | - | 10,606,504 | 10,606,504 | - | - | - | (963,184) | (963,184) | - | - | - |
| 200166 | HR (Diversity/Safety/Emp Relations) | No. Of Employees | 49.2277% | 45.0801% | -4.1476% | 32,353,962 | 15,927,111 | 15,927,111 | - | - | - | 14,585,198 | 14,585,198 | - | - | - | (1,341,913) | (1,341,913) | - | - | - |
| 200167 | e-Business | No. Of Employees | 49.2277% | 45.0801% | -4.1476% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201511 | Distribution Finance - OpCos Common | Assets/Revenue/No. of Employees | 43.9692% | 42.5867% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201518 | Transmission - Accounting, Reporting, Tax & Audit Services - Regulated Electric | Assets/Revenue/No. of Employees | 43.9691% | 42.5868% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201519 | Transmission - Accounting & Reporting Electric - NSPM & NSPW (FERC 5660) | Assets/Revenue/No. of Employees | 86.3532% | 85.7426% | -0.6106% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201520 | Energy Supply - Accounting, Reporting, Tax & Audit Services - Regulated Electric | Assets/Revenue/No. of Employees | 43.9692% | 42.5867% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201521 | Energy Supply - Accounting & Reporting Electric - NSPM & NSPW (FERC 5570) | Assets/Revenue/No. of Employees | 86.3532% | 85.7426% | -0.6106% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201522 | Distribution Finance - OpCos Electric | Assets/Revenue/No. of Employees | 43.9692% | 42.5867% | -1.3825% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201528 | FERC898 Software Labor Only ACC 4, 935.2 | Assets/Revenue/No. of Employees | 38.7231% | 37.3539% | -1.3692% | 535,394 | 207,321 | 207,321 | - | - | - | 199,991 | 199,991 | - | - | - | (7,331) | (7,331) | - | - | - |
| 201530 | FERC398 Hardware Labor Only ACC 6- 936.1 | Assets/Revenue/No. of Employees | 38.7231% | 37.3539% | -1.3692% | 9,816,680 | 3,723,872 | 3,723,872 | - | - | - | 3,592,205 | 3,592,205 | - | - | - | (131,672) | (131,672) | - | - | - |
| | | | | | | | $ 211,073,991 | $ 193,884,871 | $ 11,514,514 | $ 4,597,089 | $ 1,077,517 | $ 203,115,409 | $ 186,081,950 | $ 11,409,646 | $ 4,584,187 | $ 1,039,646 | $ (7,958,582) | $ (7,802,921) | $ (104,868) | $ (12,922) | $ (37,871) |

| E/G Allocator | Two Factor Jurisdictional Allocator | | | E/G Allocator | Customer Allocator | |
|---|---|---|---|---|---|---|
| 92.82% | 88.54% | 6.11% | 6.96% | 7.37% | 88.26% | 11.74% |
| NSPM Elec | MN Elec | ND Elec | SD Elec | NSPM Gas | MN Gas | ND Gas |
| (1,080,175) | (939,063) | (65,961) | (75,151) | (85,913) | (75,825) | (10,088) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (33,488) | (29,113) | (2,045) | (2,330) | (2,663) | (2,350) | (313) |
| (122,146) | (106,180) | (7,459) | (8,498) | (9,715) | (8,574) | (1,141) |
| (42,317) | (36,789) | (2,584) | (2,944) | (3,366) | (2,971) | (395) |
| (149,935) | (130,348) | (9,156) | (10,431) | (11,925) | (10,525) | (1,400) |
| (4,393) | (3,819) | (268) | (306) | (349) | (308) | (41) |
| (76,641) | (66,629) | (4,680) | (5,332) | (6,096) | (5,380) | (716) |
| (169,744) | (147,569) | (10,365) | (11,810) | (13,501) | (11,916) | (1,585) |
| (116,480) | (101,263) | (7,113) | (8,104) | (9,264) | (8,176) | (1,088) |
| (95,927) | (83,395) | (5,858) | (6,674) | (7,630) | (6,734) | (896) |
| (409,321) | (355,848) | (24,995) | (28,478) | (32,556) | (28,733) | (3,823) |
| (64,551) | (56,118) | (3,942) | (4,491) | (5,134) | (4,531) | (603) |
| (130,297) | (113,275) | (7,957) | (9,065) | (10,363) | (9,148) | (1,217) |
| (153,453) | (133,406) | (9,371) | (10,676) | (12,205) | (10,772) | (1,433) |
| (97,204) | (84,505) | (5,936) | (6,763) | (7,731) | (6,824) | (908) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (11,586) | (10,072) | (707) | (806) | (922) | (814) | (108) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (7,491) | (6,512) | (457) | (521) | (596) | (526) | (70) |
| (153,120) | (133,117) | (9,350) | (10,653) | (12,179) | (10,749) | (1,430) |
| (100,015) | (86,940) | (6,107) | (6,958) | 0 | 0 | 0 |
| (48,254) | (41,950) | (2,947) | (3,357) | (3,836) | (3,387) | (451) |
| (471,770) | (410,139) | (28,809) | (32,822) | (37,523) | (33,117) | (4,408) |
| (40,825) | (35,492) | (2,493) | (2,840) | (3,247) | (2,865) | (381) |
| 55,958 | 48,648 | 3,417 | 3,893 | 4,451 | 3,928 | 523 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (33,406) | (29,042) | (2,040) | (2,324) | (2,657) | (2,345) | (312) |
| (8,422) | (7,322) | (514) | (586) | (670) | (591) | (79) |
| (4,853) | (4,219) | (296) | (338) | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | (3) | (3) | 0 |
| 0 | 0 | 0 | 0 | (10,948) | (9,662) | (1,286) |
| 0 | 0 | 0 | 0 | (1,971) | (1,740) | (231) |
| (3,598) | (3,128) | (220) | (250) | (286) | (252) | (34) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (1,913) | (1,663) | (117) | (133) | (152) | (133) | (18) |
| (1,338,433) | (1,163,583) | (81,731) | (93,119) | (106,453) | (93,953) | (12,500) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (24,187) | (21,027) | (1,477) | (1,683) | (1,924) | (1,699) | (226) |
| (12,619) | (10,970) | (771) | (878) | (1,004) | (886) | (118) |
| (37,097) | (32,251) | (2,265) | (2,581) | (2,951) | (2,605) | (347) |
| (81,168) | (70,564) | (4,957) | (5,647) | (6,456) | (5,698) | (758) |
| (892,220) | (775,662) | (54,483) | (62,074) | (70,964) | (62,631) | (8,333) |
| (1,243,046) | (1,080,657) | (75,907) | (86,482) | (98,867) | (87,258) | (11,609) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (6,791) | (5,904) | (415) | (472) | (540) | (477) | (63) |
| (121,971) | (106,037) | (7,448) | (8,486) | (9,701) | (8,562) | (1,139) |
| $ (7,332,899) | $ (6,374,941) | $ (447,764) | $ (510,170) | $ (597,812) | $ (518,790) | $ (69,025) |

Minnesota Jurisdiction Gas Long Term Incentive Adustment 9.911
Minnesota Jurisdiction Gas Payroll Tax Adustment (9.058)

**Total Minnesota Jurisdiction Gas Adjustment $ (517,935)**

| THIS FILING IS |
| --- |
| Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No. |

# FERC FINANCIAL REPORT
# FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

| **Exact Legal Name of Respondent (Company)**<br>Xcel Energy Services Inc. | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|

**FERC FORM NO. 60 (12-06)**

# GENERAL INSTRUCTIONS FOR FILING FERC FORM NO. 60

### Purpose

Form No. 60 is an annual regulatory support requirement under 18 C.F.R. § 369.1 for centralized service companies. The report is designed to collect financial information from centralized service companies subject to the jurisdiction of the Federal Energy Regulatory Commission. The report is considered to be a non-confidential public use form.

### Who Must Submit

Unless the holding company system is exempted or granted a waiver by Commission rule or order pursuant to 18 C.F.R. § 366.3 and § 366.4 of this chapter, every centralized service company (see § 367.2) in a holding company system must prepare and file electronically with the Commission the FERC Form No. 60 then in effect pursuant to the General Instructions set out in this form.

### How to Submit

Submit FERC Form Nos. 2, 2-A and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 60 taxonomy.

### When to Submit

Submit FERC Form No. 60 according to the filing date contained 18 C.F.R. § 369.1 of the Commission's regulations.

### Preparation

Prepare this report in conformity with the Uniform System of Accounts (18 C.F.R. § 367) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

### Time Period

This report covers the entire calendar year.

### Whole Dollar Usage

Enter in whole numbers (dollars) only, except where otherwise noted. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's amounts.

### Accurateness

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

### Applicability

For any page(s) that is not applicable to the respondent, enter "NONE," or "Not Applicable" in column (c) on the List of Schedules, page 2.

### Date Format

Enter the month, day, and year for all dates. Use customary abbreviations. The "Resubmission Date" included in the header of each page is to be completed only for resubmissions (see III. above).

### Number Format

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by use of a minus sign.

### Required Entries

Do not make references to reports of previous years or to other reports instead of required entries, except as specifically authorized.

### Prior Year References

Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the report of the previous year, or an appropriate explanation given as to why the different figures were used.

### Where to Send Comments on Public Reporting Burden

The public reporting burden for the Form No. 60 collection of information is estimated to average 75 hours per response, including

- the time for reviewing instructions, searching existing data sources,
- gathering and maintaining the data-needed, and
- completing and reviewing the collection of information.

Send comments regarding these burden estimates or any aspect of this collection of information, including suggestions for reducing burden, to:

Federal Energy Regulatory Commission, (Attention: Information Clearance Officer, CIO ),
888 First Street NE,
Washington, DC 20426
or by email to DataClearance@ferc.gov

And to:

Office of Information and Regulatory Affairs,
Office of Management and Budget, Washington, DC 20503 (Attention: Desk Office for the Federal Energy Regulatory Commission).
Comments to OMB should be submitted by email to: oira_submission@omb.eop.gov

No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512(a)).

DEFINITIONS

Respondent -- The person, corporation, or other legal entity in whose behalf the report is made.

**FERC FORM NO. 60**

**FERC FORM NO. 60**
**REPORT OF CENTRALIZED SERVICE COMPANIES**

**Identification**

| | |
|---|---|
| 01 Exact Legal Name of Respondent<br>Xcel Energy Services Inc. | 02 Year / Period of Report<br>2024/ Q4 |
| 03 Previous Name (if name changed during the year) | 04 Date of Name Change |
| 05 Address of Principal Office at End of Year (Street, City, State, Zip Code)<br>414 Nicollet Mall, Minneapolis, MN 55401 | 06 Name of Contact Person<br>Melissa L. Ostrom |
| 07 Title of Contact Person<br>Senior Vice President, Controller | 08 Address of Contact Person<br>401 Nicollet Mall, Minneapolis, MN 55401 |
| 09 Telephone Number of Contact Person<br>(612) 330-5500 | 10 E-mail Address of Contact Person<br>Melissa.L.Ostrom@xcelenergy.com |
| 11 This Report is An Original / A Resubmission<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | 12 Date of Report<br>04/04/2025 |
| 13 Date of Incorporation<br>04/02/1997 | 14 If Not Incorporated, Date of Organization |
| 15 State or Sovereign Power Under Which Incorporated or Organized<br>DE | |
| 16 Name of Principal Holding Company Under Which Reporting Company is Organized:<br>Xcel Energy, Inc. | |

**CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

| | | |
|---|---|---|
| 17 Name of Signing Officer<br>Melissa L. Ostrom | 19 Signature of Signing Officer<br>Melissa L. Ostrom | 20 Date Signed (Month, Day, Year)<br>04/04/2025 |
| 18 Title of Signing Officer<br>Senior Vice President, Controller | | |

**Page 1**

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**List of Schedules**

1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.

| Line No. | Description (a) | Page Reference (b) | Remarks (c) |
|---|---|---|---|
| 1 | Schedule I - Comparative Balance Sheet | 101 | |
| 2 | Schedule II - Service Company Property | 103 | Not Applicable |
| 3 | Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property | 104 | Not Applicable |
| 4 | Schedule IV - Investments | 105 | |
| 4.1 | Schedule IV - Investments - Other Investments | 105 | |
| 4.2 | Schedule IV - Investments - Other Special Funds | 105 | |
| 4.3 | Schedule IV - Investments - Temporary Cash Investments | 105 | |
| 5 | Schedule V - Accounts Receivable from Associate Companies | 106 | |
| 6 | Schedule VI - Fuel Stock Expenses Undistributed | 107 | Not Applicable |
| 7 | Schedule VII - Stores Expense Undistributed | 108 | Not Applicable |
| 8 | Schedule VIII - Miscellaneous Current and Accrued Assets | 109 | Not Applicable |
| 9 | Schedule IX - Miscellaneous Deferred Debits | 110 | |
| 10 | Schedule X - Research, Development, or Demonstration Expenditures | 111 | Not Applicable |
| 11 | Schedule XI - Proprietary Capital | 201 | |
| 12 | Schedule XII - Long-Term Debt | 202 | Not Applicable |
| 13 | Schedule XIII - Current and Accrued Liabilities | 203 | |
| 14 | Schedule XIV - Notes to Financial Statements | 204 | |
| 15 | Schedule XV - Comparative Income Statement | 301 | |

| | | | |
|---|---|---|---|
| 16 | Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies | 303 | |
| 17 | Schedule XVII - Analysis of Billing - Associate Companies (Account 457) | 307 | |
| 18 | Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458) | 308 | Not Applicable |
| 21 | Schedule XIX - Miscellaneous General Expenses - Account 930.2 | 309 | |
| 23 | Schedule XX - Organization Chart | 401 | |
| 24 | Schedule XXI - Methods of Allocation | 402 | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule I - Comparative Balance Sheet**

1. Give balance sheet of the Company as of December 31 of the current and prior year.

| Line No. | Account Number (a) | Description (b) | Reference Page No. (c) | As of Dec 31 Current (d) | As of Dec 31 Prior (e) |
|---|---|---|---|---|---|
| 1 | | **Service Company Property** | | | |
| 2 | 101 | Service Company Property | 103 | | |
| 3 | 101.1 | Property Under Capital Leases | 103 | 32,033,763 | 17,693,533 |
| 4 | 106 | Completed Construction Not Classified | | | |
| 5 | 107 | Construction Work In Progress | 103 | 0 | 0 |
| 6 | | Total Property (Total Of Lines 2-5) | | 32,033,763 | 17,693,533 |
| 7 | 108 | Less: Accumulated Provision for Depreciation of Service Company Property | 104 | | |
| 8 | 111 | Less: Accumulated Provision for Amortization of Service Company Property | | | |
| 9 | | Net Service Company Property (Total of Lines 6-8) | | 32,033,763 | 17,693,533 |
| 10 | | **Investments** | | | |
| 11 | 123 | Investment In Associate Companies | 105 | | 0 |
| 12 | 124 | Other Investments | 105 | [a]89,723,984 | 79,323,132 |
| 13 | 128 | Other Special Funds | 105 | | 0 |
| 14 | | Total Investments (Total of Lines 11-13) | | 89,723,984 | 79,323,132 |
| 15 | | **Current And Accrued Assets** | | | |
| 16 | 131 | Cash | | 0 | 0 |
| 17 | 134 | Other Special Deposits | | | |
| 18 | 135 | Working Funds | | 50,648 | |

| | | | | | |
|---|---|---|---|---|---|
| 19 | 136 | Temporary Cash Investments | 105 | (b)5,429,702 | 743,924 |
| 20 | 141 | Notes Receivable | | | |
| 21 | 142 | Customer Accounts Receivable | | | |
| 22 | 143 | Accounts Receivable | | 6,384,301 | 7,981,745 |
| 23 | 144 | Less: Accumulated Provision for Uncollectible Accounts | | | |
| 23.1 | 145 | Notes Receivable From Associate Companies | | | |
| 24 | 146 | Accounts Receivable From Associate Companies | 106 | 151,518,040 | 172,728,260 |
| 25 | 152 | Fuel Stock Expenses Undistributed | 107 | 0 | |
| 26 | 154 | Materials And Supplies | | | |
| 27 | 163 | Stores Expense Undistributed | 108 | 0 | |
| 28 | 165 | Prepayments | | 129,302,330 | 128,814,426 |
| 29 | 171 | Interest And Dividends Receivable | | | |
| 30 | 172 | Rents Receivable | | | |
| 31 | 173 | Accrued Revenues | | | |
| 32 | 174 | Miscellaneous Current and Accrued Assets | 109 | | |
| 33 | 175 | Derivative Instrument Assets | | | |
| 34 | 176 | Derivative Instrument Assets - Hedges | | | |
| 35 | | Total Current and Accrued Assets (Total of Lines 16-34) | | 292,685,021 | 310,268,355 |
| 36 | | **Deferred Debits** | | | |
| 37 | 181 | Unamortized Debt Expense | | | |
| 38 | 182.3 | Other Regulatory Assets | | | |
| 39 | 183 | Preliminary Survey And Investigation Charges | | | |
| 40 | 184 | Clearing Accounts | | | |
| 41 | 185 | Temporary Facilities | | | |
| 42 | 186 | Miscellaneous Deferred Debits | 110 | 152,563,021 | 163,630,015 |

| | | | | | |
|---|---|---|---|---|---|
| 43 | 188 | Research, Development, or Demonstration Expenditures | 111 | 0 | |
| 44 | 189 | Unamortized Loss on Reacquired Debt | | | |
| 45 | 190 | Accumulated Deferred Income Taxes | | 52,813,165 | 60,289,772 |
| 46 | | Total Deferred Debits (Total of Lines 37-45) | | 205,376,186 | 223,919,787 |
| 47 | | TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46) | | 619,818,954 | 631,204,807 |
| 48 | | **Proprietary Capital** | | | |
| 49 | 201 | Common Stock Issued | 201 | 10 | 10 |
| 50 | 204 | Preferred Stock Issued | 201 | | |
| 51 | 211 | Miscellaneous Paid-In-Capital | 201 | (401,153) | (413,209) |
| 52 | 215 | Appropriated Retained Earnings | 201 | | |
| 53 | 216 | Unappropriated Retained Earnings | 201 | 2,690,013 | 2,690,013 |
| 54 | 219 | Accumulated Other Comprehensive Income | 201 | (4,783,020) | (3,988,514) |
| 55 | | Total Proprietary Capital (Total of Lines 49-54) | | (2,494,150) | (1,711,700) |
| 56 | | **Long-Term Debt** | | | |
| 57 | 223 | Advances From Associate Companies | 202 | 0 | 0 |
| 58 | 224 | Other Long-Term Debt | 202 | 0 | 0 |
| 59 | 225 | Unamortized Premium on Long-Term Debt | | | |
| 60 | 226 | Less: Unamortized Discount on Long-Term Debt-Debit | | | |
| 61 | | Total Long-Term Debt (Total of Lines 57-60) | | 0 | 0 |
| 62 | | **Other Non-current Liabilities** | | | |
| 63 | 227 | Obligations Under Capital Leases-Non-current | | 26,595,373 | 13,425,669 |
| 64 | 228.2 | Accumulated Provision for Injuries and Damages | | | |
| 65 | 228.3 | Accumulated Provision For Pensions and Benefits | | 117,990,230 | 136,643,383 |
| 66 | 230 | Asset Retirement Obligations | | | |
| 67 | | Total Other Non-current Liabilities (Total of Lines 63-66) | | 144,585,603 | 150,069,052 |

| | | | | | |
|---|---|---|---|---|---|
| 68 | | **Current and Accrued Liabilities** | | | |
| 69 | 231 | Notes Payable | | | |
| 70 | 232 | Accounts Payable | | 192,276,168 | 215,736,784 |
| 71 | 233 | Notes Payable to Associate Companies | 203 | 162,800,000 | 125,000,000 |
| 72 | 234 | Accounts Payable to Associate Companies | 203 | 0 | 0 |
| 73 | 236 | Taxes Accrued | | 8,280,453 | 24,502,108 |
| 74 | 237 | Interest Accrued | | 230,856 | 346,974 |
| 75 | 241 | Tax Collections Payable | | 4,717,446 | 4,541,320 |
| 76 | 242 | Miscellaneous Current and Accrued Liabilities | 203 | 2,197,835 | 3,961,803 |
| 77 | 243 | Obligations Under Capital Leases - Current | | 5,438,389 | 4,267,865 |
| 78 | 244 | Derivative Instrument Liabilities | | | |
| 79 | 245 | Derivative Instrument Liabilities - Hedges | | | |
| 80 | | Total Current and Accrued Liabilities (Total of Lines 69-79) | | 375,941,147 | 378,356,854 |
| 81 | | **Deferred Credits** | | | |
| 82 | 253 | Other Deferred Credits | | 73,281,134 | 81,091,359 |
| 83 | 254 | Other Regulatory Liabilities | | | |
| 84 | 255 | Accumulated Deferred Investment Tax Credits | | | |
| 85 | 257 | Unamortized Gain on Reacquired Debt | | | |
| 86 | 282 | Accumulated deferred income taxes-Other property | | 1,843,446 | 1,591,626 |
| 87 | 283 | Accumulated deferred income taxes-Other | | 26,661,774 | 21,807,616 |
| 88 | | Total Deferred Credits (Total of Lines 82-87) | | 101,786,354 | 104,490,601 |
| 89 | | TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88) | | 619,818,954 | 631,204,807 |

FOOTNOTE DATA

(a) Concept: OtherInvestments

FERC Account 124-Other Investments:

Funding vehicles for key man insurance and deferred compensation obligations.

| 2024 | Pacific Life Insurance Co. | Security Life Insurance | Prudential Insurance Co. | Rabbi Trust | Hartford Insurance Co. | Total |
|---|---|---|---|---|---|---|
| Officer Survivor Benefit (OSB) Cash Surrender Value (CSV) | $ — | $ — | $ — | $ — | $ 54,080 | $ 54,080 |
| Premiums | 57,563 | | | | | 57,563 |
| CSV | 14,039,116 | 567,748 | 2,027,610 | 77,485,356 | | 94,119,830 |
| Loans | (4,129,717) | (377,772) | | | | (4,507,489) |
| **Total** | $ 9,966,962 | $ 189,976 | $ 2,027,610 | $ 77,485,356 | $ 54,080 | $ 89,723,984 |

(b) Concept: TemporaryCashInvestments

FERC Account 136-Temporary Cash Investments:

The full amount represents December 31, 2024 excess cash balance which was held in temporary cash investments.

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule II - Service Company Property**

1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote.
2. Describe each construction work in progress on lines 18 through 30 in Column (b).

| Line No. | Account # (a) | Title of Account (b) | Balance at Beginning of Year (c) | Additions (d) | Retirements or Sales (e) | Other Changes (f) | Balance at End of Year (g) |
|---|---|---|---|---|---|---|---|
| 1 | 301 | Organization | 0 | | | | |
| 2 | 303 | Miscellaneous Intangible Plant | 0 | | | | |
| 3 | 306 | Leasehold Improvements | 0 | | | | |
| 4 | 389 | Land and Land Rights | 0 | | | | |
| 5 | 390 | Structures and Improvements | 0 | | | | |
| 6 | 391 | Office Furniture and Equipment | 0 | | | | |
| 7 | 392 | Transportation Equipment | 0 | | | | |
| 8 | 393 | Stores Equipment | 0 | | | | |
| 9 | 394 | Tools, Shop and Garage Equipment | 0 | | | | |
| 10 | 395 | Laboratory Equipment | 0 | | | | |
| 11 | 396 | Power Operated Equipment | 0 | | | | |
| 12 | 397 | Communications Equipment | 0 | | | | |
| 13 | 398 | Miscellaneous Equipment | 0 | | | | |
| 14 | 399 | Other Tangible Property | 0 | | | | |
| 15 | 399.1 | Asset Retirement Costs | 0 | | | | |
| 16 | | Total Service Company Property (Total of Lines 1-15) | 0 | 0 | 0 | 0 | 0 |
| 17 | 107 | Construction Work in Progress: | | | | | |
| 18 | | | 0 | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 31 | | Total Account 107 (Total of Lines 18-30) | 0 | 0 | | 0 | 0 |
| 32 | | Total (Lines 16 and Line 31) | 0 | 0 | | 0 | 0 |

| Name of Respondent: Xcel Energy Services Inc. | This Report Is: (1) ☑ An Original (2) ☐ A Resubmission | Date of Report 04/04/2025 | Year/Period of Report: End of: 2024/ Q4 |
|---|---|---|---|

**Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property**

1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.

| Line No. | Account Number (a) | Description (b) | Balance at Beginning of Year (c) | Additions Charged To Account 403-403.1 404-405 (d) | Retirements (e) | Other Changes Additions (Deductions) (f) | Balance at Close of Year (g) |
|---|---|---|---|---|---|---|---|
| 1 | 301 | Organization | 0 | | | | |
| 2 | 303 | Miscellaneous Intangible Plant | 0 | | | | |
| 3 | 306 | Leasehold Improvements | 0 | | | | |
| 4 | 389 | Land and Land Rights | 0 | | | | |
| 5 | 390 | Structures and Improvements | 0 | | | | |
| 6 | 391 | Office Furniture and Equipment | 0 | | | | |
| 7 | 392 | Transportation Equipment | 0 | | | | |
| 8 | 393 | Stores Equipment | 0 | | | | |
| 9 | 394 | Tools, Shop and Garage Equipment | 0 | | | | |
| 10 | 395 | Laboratory Equipment | 0 | | | | |
| 11 | 396 | Power Operated Equipment | 0 | | | | |
| 12 | 397 | Communications Equipment | 0 | | | | |
| 13 | 398 | Miscellaneous Equipment | 0 | | | | |
| 14 | 399 | Other Tangible Property | 0 | | | | |
| 15 | 399.1 | Asset Retirement Costs | 0 | | | | |
| 16 | | Total | 0 | 0 | 0 | 0 | 0 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule IV - Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Account Number (a) | Title of Account (b) | Balance at Beginning of Year (c) | Balance at Close of Year (d) |
|---|---|---|---|---|
| 1 | 123 | Investment In Associate Companies | 0 | |
| 2 | 124 | Other Investments | 79,323,132 | [a]89,723,984 |
| 3 | 128 | Other Special Funds | 0 | |
| 4 | 136 | Temporary Cash Investments | 743,924 | [b]5,429,702 |
| 5 | | (Total of Line 1-4) | 80,067,056 | 95,153,686 |

FOOTNOTE DATA

(a) Concept: OtherInvestments

FERC Account 124-Other Investments:

Funding vehicles for key man insurance and deferred compensation obligations.

| 2024 | Pacific Life Insurance Co. | Security Life Insurance | Prudential Insurance Co. | Rabbi Trust | Hartford Insurance Co. | Total |
|---|---|---|---|---|---|---|
| Officer Survivor Benefit (OSB) Cash Surrender Value (CSV) | $ — | $ — | $ — | $ — | $ 54,080 | $ 54,080 |
| Premiums | 57,563 | | | | | 57,563 |
| CSV | 14,039,116 | 567,748 | 2,027,610 | 77,485,356 | | 94,119,830 |
| Loans | (4,129,717) | (377,772) | | | | (4,507,489) |
| **Total** | $ 9,966,962 | $ 189,976 | $ 2,027,610 | $ 77,485,356 | $ 54,080 | $ 89,723,984 |

(b) Concept: TemporaryCashInvestments

FERC Account 136-Temporary Cash Investments:

The full amount represents December 31, 2024 excess cash balance which was held in temporary cash investments.

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule IV - Investments - Other Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Investment Description (a) | Name of Issuing Company (b) | Number of Shares Held (c) | Principal Investment Amount (d) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
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| 19 | | | | |
| 20 | | | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule IV - Investments - Other Special Funds**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Investment Description (a) | Name of Issuing Company (b) | Number of Shares Held (c) | Principal Investment Amount (d) |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
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| 19 | | | | |
| 20 | | | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule IV - Investments - Temporary Cash Investments**

1. For Other Investments (Account 124) and Other Special Funds (Account 128), state each investment separately, with description including the name of issuing company, number of shares held or principal investment amount.
2. For Temporary Cash Investments (Account 136), list each investment separately .
3. Investments less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Investment Description<br>(a) | Balance at Close of Year<br>(b) |
|---|---|---|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
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| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |

| | | |
|---|---|---|
| 19 | | |
| 20 | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule V - Accounts Receivable from Associate Companies**

1. List the accounts receivable from each associate company.
2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.

| Line No. | Account Number (a) | Title of Account (b) | Balance at Beginning of Year (c) | Balance at Close of Year (d) | Total Accommodation or Convenience Payments (e) |
|---|---|---|---|---|---|
| 1 | 146 | **Accounts Receivable From Associate Companies** | | | |
| 2 | | **Associate Company:** | | | |
| 3 | | Northern States Power Company, a Minnesota corporation (NSP-Minnesota) | 85,092,572 | 62,467,326 | |
| 4 | | Public Service Company of Colorado, a Colorado corporation (PSCo) | 66,119,344 | 49,758,122 | |
| 5 | | Southwestern Public Service Company, a New Mexico corporation (SPS) | 6,843,937 | 26,651,622 | |
| 6 | | Northern States Power Company, a Wisconsin corporation (NSP-Wisconsin) | 12,514,811 | 12,731,801 | |
| 7 | | Xcel Energy WYCO, Inc. | 37,177 | 75,238 | |
| 8 | | Nicollet Projects I, LLC | 55,373 | 48,059 | |
| 9 | | Eloigne Company | 28,586 | 18,960 | |
| 10 | | Nicollet Land Services, LLC | 35,688 | 18,558 | |
| 11 | | Capital Services, LLC | 18,320 | 14,005 | |
| 12 | | Energy Impact Fund Invest | 7,894 | 10,134 | |
| 13 | | 1480 Welton, Inc. | 7,394 | 3,738 | |
| 14 | | Xcel Energy Ventures Hold | 554 | 3,588 | |
| 15 | | Chippewa and Flambeau Improvement Company | 1,811 | 2,623 | |
| 16 | | WestGas Interstate, Inc. | 1,263 | 1,980 | |

| | | | | | |
|---|---|---|---|---|---|
| 17 | | Xcel Energy Investments | 1,681 | 1,636 | |
| 18 | | Nicollet Holdings Company | 220 | 1,481 | |
| 19 | | PSR Investments, Inc. | 87,120 | 1,454 | |
| 20 | | Xcel Transmission Hold Co | 700 | 740 | |
| 21 | | Xcel Energy Retail Holdings, Inc. | 686 | 692 | |
| 22 | | Xcel Energy Markets Holdings, Inc. | 637 | 645 | |
| 23 | | Xcel Energy Wholesale Group, Inc. | 1,058 | 604 | |
| 24 | | Xcel Energy International, Inc. | 553 | 544 | |
| 25 | | Xcel West Transmission Co | 491 | 536 | |
| 26 | | Xcel Transmission Development Co | 499 | 529 | |
| 27 | | Xcel Southwest Transmission Co | 476 | 507 | |
| 28 | | Xcel Energy Nuclear Services Oregon, LLC | 416 | 459 | |
| 29 | | Clearwater Investments, Inc. | 796 | 379 | |
| 30 | | Xcel Energy Communications Group, Inc. | 351 | 372 | |
| 31 | | Quixxlin Corporation | 300 | 300 | |
| 32 | | Reddy Kilowatt Corporation | 1,566 | 282 | |
| 33 | | United Power & Land Company | 991 | 205 | |
| 34 | | Quixx Corporation | 195 | 0 | |
| 35 | | Seren Innovations, Inc. | 28,982 | 0 | |
| 36 | | Xcel Energy Performance Contracting, Inc. | 106 | 0 | |
| 37 | | e-prime, Inc. | 71 | (51) | |
| 38 | | Xcel Energy Nuclear Services Holdings, LLC | (372) | (596) | |
| 39 | | Xcel Energy Nuclear Services Idaho, LLC | (25,457) | (6,904) | |
| 40 | | Xcel Energy Ventures, Inc. | (2,210) | (8,468) | |
| 41 | | Nicollet Project Holdings | 380 | (20,432) | |
| 42 | | Xcel Energy, Inc. | 1,863,300 | (262,628) | |

| | | | | | |
|---|---|---|---|---|---|
| 40 | Total | | 172,728,260 | 151,518,040 | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule VI - Fuel Stock Expenses Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.
2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.

| Line No. | Account Number (a) | Title of Account (b) | Labor (c) | Expenses (d) | Total (e) |
|---|---|---|---|---|---|
| 1 | 152 | **Fuel Stock Expenses Undistributed** | | | |
| 2 | | **Associate Company:** | | | |
| 3 | | | | | 0 |
| 40 | Total | | 0 | 0 | 0 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule VII - Stores Expense Undistributed**

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

| Line No. | Account Number (a) | Title of Account (b) | Labor (c) | Expenses (d) | Total (e) |
|---|---|---|---|---|---|
| 1 | 163 | **Stores Expense Undistributed** | | | |
| 2 | | **Associate Company:** | | | |
| 3 | | | | | 0 |
| 40 | **Total** | | 0 | 0 | 0 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule VIII - Miscellaneous Current and Accrued Assets**

1. Provide detail of items in this account. Items less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Account Number (a) | Title of Account (b) | Balance at Beginning of Year (c) | Balance at Close of Year (d) |
|---|---|---|---|---|
| 1 | 174 | **Miscellaneous Current and Accrued Assets** | | |
| 2 | | **Item List:** | | |
| 3 | | | 0 | |
| 40 | Total | | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule IX - Miscellaneous Deferred Debits**

1. Provide detail of items in this account. Items less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Account Number (a) | Title of Account (b) | Balance at Beginning of Year (c) | Balance at Close of Year (d) |
|---|---|---|---|---|
| 1 | 186 | **Miscellaneous Deferred Debits** | | |
| 2 | | **Item List:** | | |
| 3 | | Post Retirement Benefits | 163,630,117 | 152,563,123 |
| 4 | | Life Insurance Premium | 0 | 0 |
| 5 | | Other Miscellaneous Deferred Debits | (102) | (102) |
| 6 | | | 0 | |
| 40 | Total | | 163,630,015 | 152,563,021 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule X - Research, Development, or Demonstration Expenditures**

1. Describe each material research, development, or demonstration project that incurred costs by the service company during the year. Items less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Account Number (a) | Title of Account (b) | Amount (c) |
|---|---|---|---|
| 1 | 188 | **Research, Development, or Demonstration Expenditures** | |
| 2 | | **Project List:** | |
| 3 | | | |
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| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | | | |
| 40 | | | |
| 41 | | | |
| 40 | Total | | 0 |

| Name of Respondent: Xcel Energy Services Inc. | This Report Is: (1) ☑ An Original (2) ☐ A Resubmission | Date of Report 04/04/2025 | Year/Period of Report: End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XI - Proprietary Capital**

1. For Miscellaneous Paid-In Capital (Account 211) and Appropriated Retained Earnings (Account 215), classify amounts in each account, with a brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.
2. For Unappropriated Retained Earnings (Account 216), in a footnote, give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing non-associates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentages, amount of dividend, date declared and date paid.

| Line No. | Account Number (a) | Title of Account (b) | Description (c) | Amount (d) |
|---|---|---|---|---|
| 1 | 201 | Common Stock Issued | Number of Shares Authorized | 1,000 |
| 2 | | | Par or Stated Value per Share | 0.01 |
| 3 | | | Outstanding Number of Shares | 1,000 |
| 4 | | | Close of Period Amount | 10 |
| 5 | 204 | Preferred Stock Issued | Number of Shares Authorized | |
| 6 | | | Par or Stated Value per Share | |
| 7 | | | Outstanding Number of Shares | |
| 8 | | | Close of Period Amount | |
| 9 | 211 | Miscellaneous Paid-In Capital | | (401,153) |
| 10 | 215 | Appropriated Retained Earnings | | |
| 11 | 219 | Accumulated Other Comprehensive Income | | (4,783,020) |
| 12 | 216 | Unappropriated Retained Earnings | Balance at Beginning of Year | 2,690,013 |
| 13 | | | Net Income or (Loss) | |
| 14 | | | Dividend Paid | |
| 15 | | | Balance at Close of Year | 2,690,013 |

| Line No. | Dividends paid during the year | | | | |
|---|---|---|---|---|---|
| | Dividend Paid Description (a) | Dividend Rate (b) | Dividend Paid Amount (c) | Dividend Declared Date (d) | Dividend Paid Date (e) |

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| 30 | | | | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XII - Long-Term Debt**

1. For Advances from Associate Companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (d).
2. For the deductions in Column (i), give an explanation in a footnote.
3. For Other Long-Term Debt (Account 224), list the name of the creditor company or organization in Column (b).

| Line No. | Account Number (a) | Title of Account (b) | Term of Obligation (c) | Class & Series of Obligation (d) | Date of Maturity (e) | Interest Rate (f) | Amount Authorized (g) | Balance at Beginning of Year (h) | Additions Deductions (i) | Balance at Close of Year (j) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 223 | **Advances from Associate Companies** | | | | | | | | |
| 2 | | **Associate Company:** | | | | | | | | |
| 3 | | | | | | | | 0 | | |
| 13 | | Total | | | | | | 0 | 0 | 0 |
| 14 | 224 | **Other Long Term Debt** | | | | | | | | |
| 15 | | **List Creditor:** | | | | | | | | |
| 16 | | | | | | | | 0 | | |
| 28 | | Total | | | | | | 0 | 0 | 0 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XIII - Current and Accrued Liabilities**

1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).
2. Give description and amount of Miscellaneous Current and Accrued Liabilities (Account 242). Items less than $50,000 may be grouped, showing the number of items in each group.

| Line No. | Account Number (a) | Title of Account (b) | Balance at Beginning of Year (c) | Balance at Close of Year (d) |
|---|---|---|---|---|
| 1 | 233 | **Notes Payable to Associate Companies** | | |
| 2 | | **Associate Company:** | | |
| 3 | | Notes Payable to Associate Companies | 125,000,000 | (a)162,800,000 |
| 4 | | | 0 | |
| 23 | | Subtotal (Total of Lines 3-22) | 125,000,000 | 162,800,000 |
| 24 | 234 | **Accounts Payable to Associate Companies** | | |
| 25 | | **Associate Company:** | | |
| 26 | | Accounts Payable to Associate Companies | 0 | |
| 27 | | | 0 | |
| 40 | | Subtotal (Total of Lines 26-39) | 0 | 0 |
| 41 | 242 | **Miscellaneous Current and Accrued Liabilities** | | |
| 42 | | **Items List:** | | |
| 43 | | Miscellaneous Current and Accrued Liabilities | 3,961,803 | (b)2,197,835 |
| 44 | | | 0 | |
| 49 | | Subtotal (Total of Lines 43-48) | 3,961,803 | 2,197,835 |
| 50 | | TOTAL (LINES 23, 40, AND 49) | 128,961,803 | 164,997,835 |

FOOTNOTE DATA

(a) Concept: NotesPayableToAssociateCompanies

FERC Account 233-Notes Payable to Associate Companies

The 2024 balance represents intercompany borrowings with Xcel Energy, Inc.

(b) Concept: MiscellaneousCurrentAndAccruedLiabilities

FERC Account 242-Miscellaneous Current and Accrued Liabilities

The 2024 balance represents the current benefit obligation for a non-qualified pension plan and retiree medical and other miscellaneous liability accruals.

| | | |
|---|---|---|
| Non-qualified Pension Plan | $ | 918,948 |
| Unrecognized Tax Benefit | | 633,052 |
| Retiree Medical | | 637,000 |
| Miscellaneous Accruals | | 8,835 |
| **Total** | $ | 2,197,835 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XIV - Notes to Financial Statements**

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Extraordinary Income (Account 434) or Extraordinary Deductions (Account 435).
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio, explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

Placeholder for - Disclosure of Important Disclosures Regarding the Financial Statements

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Years Ended December 31, 2024 and 2023

**Schedule XIV - NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

***Business and System of Accounts*** — Xcel Energy Services Inc. (XES or the Company) is a wholly owned subsidiary of Xcel Energy Inc. (Xcel Energy). XES provides Northern States Power Company, a Minnesota corporation (NSP-Minnesota), Northern States Power Company, a Wisconsin corporation (NSP-Wisconsin), Public Service Company of Colorado (PSCo) and Southwestern Public Service Company (SPS) and other subsidiaries of Xcel Energy with a variety of administrative, management, engineering, construction, and corporate support services at cost. XES began operations effective April 2, 1997 doing business as New Century Energy. All of XES' accounting records conform to the Federal Energy Regulatory Commission (FERC) uniform system of accounts or to systems required by various state regulatory commissions, which are the same in all material respects.

***Basis of Accounting*** — The accompanying financial statements were prepared in accordance with the accounting requirements of the FERC as set forth in the Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP:

- Accumulated deferred income taxes are shown as long-term assets and liabilities at their gross amounts in the FERC presentation, in contrast to the GAAP presentation as net long-term assets and liabilities.
- Unrecognized tax benefits are recorded for temporary differences in accounts established for accumulated deferred income taxes in the FERC presentation, in contrast to the GAAP presentation as taxes accrued and noncurrent other liabilities.
- Various expenses such as donations, lobbying, and other non-regulatory expenses are presented as other income and deductions for the FERC presentation and reported as operating expenses for the GAAP presentation.
- Income tax expense is shown as a component of operating expenses in the FERC presentation, in contrast to the GAAP presentation as a below-the-line deduction from operating income.

***Subsequent Events —*** Management has evaluated the impact of events occurring after Dec. 31, 2024 up to Feb. 27, 2025, the date Xcel Energy's GAAP financial statements were issued and has updated such evaluation for disclosure purposes through the date of filing this report. These statements contain all necessary adjustments and disclosures resulting from these evaluations.

***Use of Estimates*** — In recording transactions and balances resulting from business operations, XES uses estimates based on the best information available. The recorded estimates are revised when better information becomes available or when actual amounts can be determined. Those revisions can affect operating results.

***Benefit Plans and Other Postretirement Benefits*** — Xcel Energy maintains pension and postretirement benefit plans for eligible employees. Recognizing the cost of providing benefits and measuring the projected benefit obligation of these plans under applicable accounting guidance requires management to make various assumptions and estimates.

Based on the regulatory recovery mechanisms of Xcel Energy's utility subsidiaries, certain unrecognized actuarial gains and losses and unrecognized prior service costs or credits are recorded as regulatory assets and liabilities, rather than other comprehensive income.
***Leases*** — XES evaluates contracts that may contain leases, including arrangements for the use of office space and other facilities, vehicles and equipment. A contract contains a lease if it conveys the exclusive right to control the use of a specific asset. A contract determined to contain a lease is evaluated further to determine if the arrangement is a finance lease.

***Income Taxes*** — The Company's operations are included in the consolidated federal income tax return of Xcel Energy. The allocation of income tax consequences to the Company is calculated under a parent company policy which provides that benefits or liabilities created by the Company, computed on a separate return basis, will be allocated to (and paid to or by) the Company to the extent the benefits are usable or additional liabilities are incurred in Xcel Energy's consolidated tax returns. Deferred taxes are provided on temporary differences between the financial accounting and tax bases of assets and liabilities using the tax rates that are in effect at the balance sheet date (see Note 6).

***Cash and Cash Equivalents*** — XES considers investments in certain instruments with a remaining maturity of three months or less at the time of purchase, to be cash equivalents.

***Accounts Receivable —*** Accounts receivable are stated at the actual billed amount.

**2. Common Stock**

XES has authorized the issuance of common stock.

| Common Shares Authorized | Par Value |
|---|---|
| 1,000 | $0.01 |

At Dec. 31, 2024 and 2023, all shares of common stock were issued and held by Xcel Energy.

**3. Borrowings and Other Financing Instruments**

***Money Pool –*** FERC approval was received to establish a utility money pool arrangement with the utility subsidiaries, subject to receipt of required state regulatory approvals. The utility money pool, administered by XES, allows for short-term investments in and borrowings between the participating utility subsidiaries. Xcel Energy Inc. may make investments in the participating utility subsidiaries at market-based interest rates; however, the money pool arrangement does not allow the participating utility subsidiaries to make investments in Xcel Energy Inc.

The Board of Directors has authorized the Company to borrow directly from Xcel Energy. At Dec. 31, intercompany borrowings outstanding and the weighted average interest rate were as follows:

| (Amounts in Thousands of Dollars, Except Interest Rates) | Twelve Months Ended Dec. 31, 2024 | Twelve Months Ended Dec. 31, 2023 |
|---|---|---|
| Borrowing limit | $ 400,000 | $ 400,000 |
| Intercompany borrowings outstanding at period end | 162,800 | 125,000 |
| Average amount outstanding | 199,647 | 191,195 |
| Maximum amount outstanding | 304,500 | 326,200 |
| Weighted average interest rate, computed on a daily basis | 5.41 % | 5.24 % |
| Weighted average interest rate at period end | 4.72 | 5.46 |

**4. Commitments and Contingencies**

***Leases —*** XES leases a variety of equipment and facilities used in the normal course of business. Total expenses under operating lease obligations for XES were approximately $5.1 million in 2024 and $5.4 million in 2023.
Future commitments under operating leases are as follows:

| (Thousands of Dollars) | Total Operating Leases |
|---|---|
| 2025 | $ 6,912 |
| 2026 | 11,950 |
| 2027 | 2,520 |
| 2028 | 2,529 |
| 2029 | 2,434 |
| Thereafter | 11,267 |
| Total minimum obligation | 37,612 |
| Interest component of obligation | (5,578) |
| Present value of minimum obligation | 32,034 |
| Less current portion | (5,438) |
| Noncurrent operating lease obligation[a] | $ 26,595 |
| Weighted-average remaining lease term in years | 4.7 |

[a] Amounts may not add due to rounding.

***Technology Agreements —***Xcel Energy has several contracts for information technology services that extend through 2029. The contracts are cancelable, although there are financial penalties for early termination. Xcel Energy capitalized or expensed $19 million and $28 million associated with these contracts in 2024 and 2023, respectively.

Committed minimum payments under these obligations are $20 million in 2025.

**5. Benefit Plans and Other Postretirement Benefits**

Pension and other postretirement disclosures below represent Xcel Energy consolidated information unless specifically identified as being attributable to XES. Consistent with the process for rate recovery of pension and postretirement benefits for its employees, XES accounts for its participation in, and related costs of, pension and other postretirement benefit plans sponsored by Xcel Energy as multiple employer plans. XES is responsible for its share of cash contributions, plan costs and obligations and is entitled to its share of plan assets; accordingly, XES accounts for its pro rata share of these plans, including pension expenses and contributions, resulting in accounting consistent with that of a single employer plan exclusively for XES employees.

The plans invest in various instruments which are disclosed under the accounting guidance for fair value measurements which establishes a hierarchical framework for disclosing the observability of the inputs utilized in measuring fair value. The three levels in the hierarchy and examples of each level are as follows:

- Level 1 — Quoted prices are available in active markets for identical assets as of the reporting date. The types of assets included in Level 1 are highly liquid and actively traded instruments with quoted prices.
- Level 2 — Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reporting date. The types of assets included in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs.
- Level 3 — Significant inputs to pricing have little or no observability as of the reporting date. The types of assets included in Level 3 are those with inputs requiring significant management judgment or estimation.

**Pension Benefits**

Xcel Energy, which includes XES, has several noncontributory, defined benefit pension plans that cover almost all employees. Generally, benefits are based on a combination of years of service, the employee's average pay and, in some cases, social security benefits. Xcel Energy and XES' policy is to fully fund into an external trust the actuarially determined pension costs recognized for ratemaking and financial reporting purposes, subject to the limitations of applicable employee benefit and tax laws.
In addition to the qualified pension plans, Xcel Energy maintains a supplemental executive retirement plan (SERP) and a nonqualified pension plan. The SERP is maintained for certain executives that were participants in the plan in 2008, when the SERP was closed to new participants. The nonqualified pension plan provides unfunded, nonqualified benefits for compensation that is in excess of the limits applicable to the qualified pension plans. The total obligations of the SERP and nonqualified plan as of Dec. 31, 2024 and 2023 for XES were $8.0 million and $6.0 million, respectively. XES recognized net benefit cost for financial reporting for the SERP and nonqualified plans of $1.0 million in both 2024 and 2023. Benefits for these unfunded plans are paid out of Xcel Energy's consolidated operating cash flows.

In 2016, Xcel Energy established rabbi trusts to provide partial funding for future distributions of the SERP and its deferred compensation plan, supplemented by Xcel Energy's consolidated operating cash flows as determined necessary. Also, in 2016, Xcel Energy amended the deferred compensation plan to provide eligible participants the ability to diversify deferred settlements of equity awards, other than time-based equity awards, into various fund options.

Xcel Energy and XES base their investment-return assumption on expected long-term performance for each of the investment types included in its pension asset portfolio. Xcel Energy and XES consider the historical returns achieved by its asset portfolio over the past 20-year or longer period, as well as the long-term return levels projected and recommended by investment experts. Investment returns were below the assumed levels of 6.93 percent in 2024 and above the assumed levels of 6.93 percent in 2023. Xcel Energy and XES continually review their pension assumptions. In 2025, Xcel Energy and XES will use an investment return assumption of 7.13 percent. The pension cost determination assumes a forecasted mix of investment types over the long-term.

The assets are invested in a portfolio according to Xcel Energy and XES' return, liquidity, and diversification objectives to provide a source of funding for plan obligations and minimize the necessity of contributions to the plan, within appropriate levels of risk. The principal mechanism for achieving these objectives is the projected allocation of assets to selected asset classes, given the long-term risk, return, and liquidity characteristics of each particular asset class. There were no significant concentrations of risk in any particular industry, index, or entity. Market volatility can impact even well-diversified portfolios and significantly affect the return levels achieved by pension assets in any year.

The following table presents the target pension asset allocations for Xcel Energy at Dec. 31 for the upcoming year:

| | 2024 | 2023 |
|---|---|---|
| Long-duration fixed income securities | 38 % | 38 % |
| Domestic and international equity securities | 31 % | 31 % |
| Alternative investments | 20 | 20 |
| Short-to-intermediate fixed income securities | 9 | 9 |
| Cash | 2 | 2 |
| Total | 100 % | 100 % |

The ongoing investment strategy is based on plan-specific investment recommendations that seek to minimize potential investment and interest rate risk as a plan's funded status increases over time. The investment recommendations result in a greater percentage of long-duration fixed income securities being allocated to specific plans having relatively higher funded status ratios and a greater percentage of growth assets being allocated to plans having relatively lower funded status ratios. The aggregate projected asset allocation presented in the table above for the master pension trust results from the plan-specific strategies.

**Pension Plan Assets**

The following tables present, for each of the fair value hierarchy levels, Xcel Energy's pension plan assets that are measured at fair value as of Dec. 31, 2024 and 2023:

| | Dec. 31, 2024 | | | | |
|---|---|---|---|---|---|
| **(Millions of Dollars)** | **Level 1** | **Level 2** | **Level 3** | **Investments Measured at NAV** | **Total** |
| Cash equivalents | $ 117 | $ — | $ — | $ — | $ 117 |
| Commingled funds | — | — | — | 1,694 | 1,694 |
| Debt Securities | — | 656 | 6 | — | 662 |
| Equity Securities | 25 | — | — | — | 25 |
| Other | — | 6 | — | — | 6 |
| Total | $ 142 | $ 662 | $ 6 | $ 1,694 | $ 2,504 |

| | Dec. 31, 2023 | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Level 1 | Level 2 | Level 3 | Investments Measured at NAV | Total |
| Cash equivalents | $ 233 | $ — | $ — | $ — | $ 233 |
| Commingled funds | 491 | — | — | 1,235 | 1,726 |
| Debt Securities | — | 683 | 4 | — | 687 |
| Equity Securities | 35 | — | — | — | 35 |
| Other | — | 9 | — | — | 9 |
| Total | $ 759 | $ 692 | $ 4 | $ 1,235 | $ 2,690 |

***Benefit Obligations*** — A comparison of the actuarially computed pension benefit obligation and plan assets for Xcel Energy is presented in the following table:

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| Accumulated Benefit Obligation at Dec. 31 | $ 2,554,331 | $ 2,727,728 |
| | | |
| Change in Projected Benefit Obligation: | | |
| Obligation at Jan. 1 | $ 2,943,352 | $ 2,870,616 |
| Service cost | 75,867 | 73,836 |
| Interest cost | 151,186 | 158,470 |
| Amendments | — | (3,381) |
| Actuarial (gain) loss | (77,136) | 125,885 |
| Benefit Payments[(a)] | (173,291) | (282,074) |
| Settlements | (167,945) | — |
| Obligation at Dec. 31 | $ 2,752,033 | $ 2,943,352 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **Change in Fair Value of Plan Assets:** | | |
| Fair value of plan assets at Jan. 1 | $ 2,690,252 | $ 2,684,515 |
| Actual return on plan assets | 54,611 | 237,811 |
| Employer contributions | 100,000 | 50,000 |
| Benefit payments | (173,291) | (282,074) |
| Settlements | (167,945) | — |
| Fair value of plan assets at Dec. 31 | $ 2,503,627 | $ 2,690,252 |
| | | |
| **Funded Status of Plans at Dec. 31:** | | |
| Funded status[(b)] | $ (248,406) | $ (253,100) |

[(a)] Includes lump-sum benefit payments used in the determination of a settlement charges of $168 million of in 2024.
[(b)] Amounts are recognized in noncurrent liabilities on Xcel Energy's consolidated balance sheets.

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **XES Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost:** | | |
| Net loss | $ 154,403 | $ 168,866 |
| Prior service cost | (6,050) | (7,173) |
| Total | $ 148,353 | $ 161,693 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **XES Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost Have Been Recorded As Follows Based on Expected Recovery in Rates:** | | |
| Miscellaneous deferred debits | $ 144,364 | $ 158,105 |
| Accumulated deferred income taxes | 1,040 | 937 |
| Net-of-tax accumulated other comprehensive income | (2,950) | (2,561) |
| Total | $ 142,454 | $ 156,481 |
| | | |
| XES accumulated provision for pensions and benefits | $ (74,616) | $ 90,764 |
| Measurement date | Dec. 31, 2024 | Dec. 31, 2023 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **Significant Assumptions Used to Measure Benefit Obligations:** | | |
| Discount rate for year-end valuation | 5.88 % | 5.49 % |
| Expected average long-term increase in compensation level | 4.25 | 4.25 |
| Mortality table | PRI-2012 | PRI-2012 |

***Cash Flows*** — Funding requirements can be impacted by changes to actuarial assumptions, actual asset levels and other calculations prescribed by the requirements of income tax and other pension-related regulations. Required contributions were made in 2022 - 2025 to meet minimum funding requirements.

Voluntary and required pension finding contributions:

- $125 million in January 2025
- $100 million in 2024
- $50 million in 2023
- $50 million in 2022

The postretirement health care plans have no funding requirements other than fulfilling benefit payment obligations when claims are presented and approved. Additional cash funding requirements are prescribed by certain state and federal rate regulatory authorities.

***Plan Amendments*** — There were no significant plan amendments made in 2024 which affected the pension or postretirement benefit obligation.

In 2023, Xcel Energy amended the Xcel Energy Pension Plan and Xcel Energy Inc. Nonbargaining Pension Plan (South) to reduce supplemental social security benefits for all active participants on and after Jan. 1, 2024.

***Benefit Costs*** — The components of Xcel Energy's net periodic pension cost were:

| (Millions of Dollars) | 2024 | 2023 |
|---|---|---|
| Service cost | $ 76 | $ 74 |
| Interest cost | 151 | 158 |
| Expected return on plan assets | (206) | (209) |
| Amortization of prior service credit | (2) | (1) |
| Amortization of net loss | 30 | 22 |
| Settlement charge[(a)] | 67 | — |
| Net periodic pension cost | 116 | 44 |
| Cost not recognized due to effects of regulation | (37) | 30 |
| Net benefit cost recognized for financial reporting | $ 79 | $ 74 |
| | | |
| **XES:** | | |
| Net periodic pension cost | $ 35 | $ 17 |

[(a)] A settlement charge is required when the amount of all lump-sum distributions during the year is greater than the sum of the service and interest cost components of the annual net periodic pension cost. In 2024, as a result of lump-sum distributions during each plan year, Xcel Energy recorded a total pension settlement charge of $67 million, the majority of which was not recognized due to the effects of regulation. A total of $8 million was recorded in the consolidated statements of income in 2024. There were no settlement charges recorded for the qualified pension plans in 2023.

| | 2024 | 2023 |
|---|---|---|
| **Significant Assumptions Used to Measure Costs:** | | |
| Discount Rate | 5.49 % | 5.80 % |
| Expected average long-term increase in compensation level | 4.25 | 4.25 |
| Expected average long-term rate of return on assets | 6.93 | 6.93 |

**Defined Contribution Plans**

Xcel Energy, which includes XES, maintains 401(k) and other defined contribution plans that cover most employees. Total expense to these plans was approximately $50 million in 2024 and $49 million in 2023. XES' portion of that expense was approximately $16 million in 2024 and $17 million in 2023.

**Postretirement Health Care Benefits**

Xcel Energy, which includes XES, has a contributory health and welfare benefit plan that provides health care and death benefits to certain retirees.

***Plan Assets*** **—** Certain state agencies that regulate Xcel Energy's utility subsidiaries also have issued guidelines related to the funding of postretirement benefit costs. These assets are invested in a manner consistent with the investment strategy for the pension plan.
The following table presents the target postretirement asset allocations for Xcel Energy at Dec. 31 for the upcoming year:

| | 2024 | 2023 |
|---|---|---|
| Domestic and international equity securities | 25 % | 9 % |
| Short-to-intermediate fixed income securities | 61 | 77 |
| Alternative investments | 11 | 13 |
| Cash | 3 | 1 |
| Total | 100 % | 100 % |

Xcel Energy and XES bases its investment-return assumption for the postretirement health care fund assets on expected long-term performance for each of the investment types included in its asset portfolio. The assets are invested in a portfolio according to Xcel Energy's return, liquidity, and diversification objectives to provide a source of funding for plan obligations and minimize contributions to the plan, within appropriate levels of risk. The principal mechanism for achieving these objectives is the projected asset allocation given the long-term risk, return, correlation, and liquidity characteristics of each particular asset class. There were no significant concentrations of risk in any particular industry, index, or entity. Market volatility can impact even well-diversified portfolios and significantly affect the return levels achieved by postretirement health care assets in any year.

The following tables present, for each of the fair value hierarchy levels, Xcel Energy's postretirement benefit plan assets that are measured at fair value as of Dec. 31, 2024 and 2023:

| | Dec. 31, 2024 | | | | |
|---|---|---|---|---|---|
| **(Millions of Dollars)** | **Level 1** | **Level 2** | **Level 3** | **Investments Measured at NAV** | **Total** |
| Cash equivalents | $ 35 | $ — | $ — | $ — | $ 35 |
| Insurance contracts | — | 40 | — | — | 40 |
| Commingled funds | — | — | — | 68 | 68 |
| Debt Securities | — | 201 | — | — | 201 |
| Other | — | — | — | — | — |
| Total | $ 35 | $ 241 | $ — | $ 68 | $ 344 |

| | Dec. 31, 2023 | | | | |
|---|---|---|---|---|---|
| **(Millions of Dollars)** | **Level 1** | **Level 2** | **Level 3** | **Investments Measured at NAV** | **Total** |
| Cash equivalents | $ 33 | $ — | $ — | $ — | $ 33 |
| Insurance contracts | — | 40 | — | — | 40 |
| Commingled funds | 22 | — | — | 72 | 94 |
| Debt Securities | — | 187 | 1 | — | 188 |
| Other | — | 1 | — | — | 1 |
| Total | $ 55 | $ 228 | $ 1 | $ 72 | $ 356 |

Immaterial assets were transferred in or out of Level 3 for 2024 and 2023.
***Benefit Obligations*** **—** A comparison of the actuarially computed benefit obligation and plan assets for Xcel Energy is presented in the following table:

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **Change in Projected Benefit Obligation:** | | |
| Obligation at Jan. 1 | $ 394,428 | $ 404,833 |
| Service Cost | 1,299 | 1,053 |
| Interest Cost | 20,758 | 22,316 |
| Medicare subsidy reimbursement | 359 | — |
| Plan participants' contributions | 9,136 | 8,269 |
| Actuarial loss | 54,714 | 14,047 |
| Benefit payments | (53,423) | (56,090) |
| Obligation at Dec. 31 | $ 427,271 | $ 394,428 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **Change in Fair Value of Plan Assets:** | | |
| Fair value of plan assets at Jan. 1 | $ 355,956 | $ 364,233 |
| Actual return on plan assets | 21,269 | 28,701 |
| Plan participants' contributions | 9,136 | 8,269 |
| Employer contributions | 10,734 | 10,843 |
| Benefit payments | (53,423) | (56,090) |
| Fair value of plan assets at Dec. 31 | $ 343,672 | $ 355,956 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **Funded Status of Plans at Dec. 31:** | | |
| Funded status | $ (83,599) | $ (38,472) |
| | | |
| Miscellaneous deferred debits | $ (3,896) | $ (3,442) |
| Accumulated provision for pensions and benefits | (89,442) | (62,672) |
| Net postretirement amounts recognized on the balance sheet | $ (93,338) | $ (66,114) |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **XES Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost:** | | |
| Net loss | $ 7,478 | $ 5,117 |
| Total | $ 7,478 | $ 5,117 |

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| **XES Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost Have Been Recorded as Follows Based Upon Expected Recovery in Rates:** | | |
| Miscellaneous deferred debits | $ 6,890 | $ 4,480 |
| Accumulated deferred income taxes | 125 | 112 |
| Net-of-tax accumulated other comprehensive income | (346) | (307) |
| Total | $ 6,669 | $ 4,285 |
| | | |
| XES accumulated provision for pensions and benefits | $ 16,703 | $ 15,492 |
| Measurement date | Dec. 31, 2024 | Dec. 31, 2023 |

| | 2024 | 2023 |
|---|---|---|
| **Significant Assumptions Used to measure Benefit Obligations:** | | |
| Discount rate for year-end valuation | 5.88 % | 5.54 % |
| Mortality table | PRI-2012 | PRI-2012 |
| Health care costs trend rate - initial: Pre-65 | 7.00 % | 6.50 % |
| Health care costs trend rate - initial: Post-65 | 7.50 | 5.50 |

As of Dec. 31, 2024, the initial medical trend cost claim assumptions for Pre-65 was 7.00% and Post-65 was 7.50%. The ultimate trend assumption remained at 4.5% for both Pre-65 and Post-65 claims costs. Xcel Energy bases its medical trend assumption on the long-term cost inflation expected in the health care market, considering the levels projected and recommended by industry experts, as well as recent actual medical cost experienced by Xcel Energy's retiree medical plan.

***Cash Flows —*** The postretirement health care plans have no funding requirements under income tax and other retirement-related regulations other than fulfilling benefit payment obligations, when claims are presented and approved under the plans. Additional cash funding requirements are prescribed by certain state and federal rate regulatory authorities. Xcel Energy, which includes XES, contributed $11 million in both 2024 and 2023, respectively, to the postretirement health care plans. Xcel Energy expects to contribute approximately $8 million during 2025.

***Benefit Costs*** — The components of Xcel Energy's net periodic postretirement benefit cost were:

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| Service cost | $ 1,299 | $ 1,053 |
| Interest cost | 20,758 | 22,316 |
| Expected return on plan assets | (17,015) | (17,506) |
| Amortization of prior service credits | — | (814) |
| Amortization of net loss | 1,638 | 1,608 |
| Net periodic postretirement benefit credit | $ 6,680 | $ 6,657 |
| | | |
| **XES:** | | |
| Net periodic postretirement benefit cost recognized | $ 952 | $ 1,350 |

| | 2024 | 2023 |
|---|---|---|
| **Significant Assumptions Used to Measure Costs:** | | |
| Discount rate | 5.54 % | 5.80 % |
| Expected average long-term rate of return on assets | 5.00 | 5.00 |

**Projected Benefit Payments**

The following table lists Xcel Energy's projected benefit payments for the pension and postretirement benefit plans:

| (Thousands of Dollars) | Projected Pension Benefits Payments | Gross Projected Postretirement Health Care Benefit Payments | Expected Medicare Part D Subsidies | Net Projected Postretirement Health Care Benefit Payments |
|---|---|---|---|---|
| 2025 | $ 235,499 | $ 44,462 | $ (3,085) | $ 41,377 |
| 2026 | 225,670 | 43,349 | (3,213) | 40,136 |
| 2027 | 228,717 | 42,471 | (3,341) | 39,130 |
| 2028 | 231,183 | 41,557 | (3,444) | 38,113 |
| 2029 | 236,610 | 40,439 | (3,522) | 36,917 |
| 2030-2034 | 1,136,984 | 186,728 | (17,635) | 169,093 |

**Voluntary Retirement Program**

Incremental to amounts presented above for postretirement benefits, Xcel Energy has postemployment costs and obligations for its Voluntary Retirement Program, under which approximately 400 eligible non-bargaining employees retired in the fourth quarter of 2023

Utilizing employee information and the following inputs, unfunded obligations of $29 million and $34 million for health plan subsides and $4 million and $5 million for other medical benefits are presented in other current liabilities and noncurrent pension and employee benefit obligations in the consolidated balance sheets as of Dec. 31, 2024

| | 2024 | 2023 |
|---|---|---|
| **Significant Assumptions Used to Measure Benefit Obligations:** | | |
| Discount rate for year-end valuation | 5.00 % | 5.50 % |
| Mortality table | PRI-2012 | PRI-2012 |
| Health care costs trend rate | 7.00 % | 7.00 % |
| Ultimate trend assumption | 4.50 % | N/A |

**6. Income Taxes**

The components of income tax expense for the years ending Dec. 31 were as follows:

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| Current federal tax (benefit) expense | $ (8,022) | $ 9,088 |
| Current state tax (benefit) expense | (1,036) | 1,474 |
| Current change in unrecognized tax benefit | (2,539) | (2,188) |
| Deferred federal tax expense (benefit) | 10,099 | (6,309) |
| Deferred state tax expense (benefit) | 2,759 | (1,832) |
| Total income tax expense | $ 1,261 | $ 233 |

Total income tax expense from operations differs from the amount computed by applying the statutory federal income tax rate to income before income tax expense. The following reconciles such differences for the years ending Dec. 31:

| | 2024 | 2023 |
|---|---|---|
| Federal statutory rate | 21 % | 21 % |
| State income taxes, net of federal tax effect | 5 | 5 |
| Increase (decrease) in tax from: | | |
| Executive officer non-deductible compensation | 214 | 292 |
| Resolutions of income tax audit and other | (192) | (789) |
| Texas margin tax, net of federal tax effect | 73 | 385 |
| Adjustments attributed to tax returns | 7 | 80 |
| Non-deductible business meals | 19 | 157 |
| Insurance fund income | (47) | (51) |
| Effective income tax rate | 100 % | 100 % |

The components of the accumulated deferred income taxes at Dec. 31 were as follows:

| (Thousands of Dollars) | 2024 | 2023 |
|---|---|---|
| Deferred tax liabilities: | | |
| Employee benefits | $ 17,919 | $ 17,250 |
| Operating lease assets | 8,230 | 4,537 |
| Difference between book and tax base of property | 1,843 | 1,592 |
| Other | 513 | 20 |
| Total deferred tax liabilities | $ 28,505 | $ 23,399 |
| Deferred tax assets: | | |
| Employee benefits | $ 44,100 | $ 54,413 |
| Operating lease assets | 8,230 | 4,537 |
| Other | 483 | 1,340 |
| Total deferred tax assets | 52,813 | 60,290 |
| Net deferred tax asset | $ (24,308) | $ (36,891) |

**7. Financial Instruments**

In June 2016, XES established rabbi trusts to provide partial funding for future distributions of its supplemental executive retirement plan and deferred compensation plan. The following table presents the cost and fair value of the assets held in rabbi trusts at Dec. 31, 2024 and 2023:

| | Dec. 31, 2024 | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Cost | Level 1 | Level 2 | Level 3 | Total |
| **Rabbi Trust[a]** | | | | | |
| Mutual funds | 69 | 78 | | | 78 |
| Total | $ 69 | $ 78 | $ — | $ — | $ 78 |

| | Dec. 31, 2023 | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Cost | Level 1 | Level 2 | Level 3 | Total |
| **Rabbi Trust[a]** | | | | | |
| Mutual funds | 64 | 69 | | | 69 |
| Total | $ 64 | $ 69 | $ — | $ — | $ 69 |

[a] Reported as other investments on the balance sheet.

**Schedule XX - Organization Chart**

**Chairman, President and Chief Executive Officer**

| | |
|---|---|
| **Executive Vice President, Chief Financial Officer** | Audit & Risk Management, Business Area Finance, Corporate Finance, Controller, Financial Forecasting & Strategy, Financial Policy & Planning, Innovation & Transformation, Investor Relations, Operating Company Finance, Corporate Development, Supply Chain and Tax. |
| **Executive Vice President, Chief Legal & Compliance Officer** | Corporate Compliance, Strategy & Performance, Corporate Secretary & Securities, General Counsel, Legal, Federal Regulatory, Legal & Policy, Federal Government Affairs and Security & Resilience Policy. |
| **Executive Vice President, Chief Operations Officer** | Customer Delivery, Nuclear, Energy Supply and Commercial Operations. |
| **Executive Vice President, Group President, Utilities & Chief Customer Officer** | Customer Energy & Transport Solutions, Customer Information System Transformation, External Affairs & Policy, Utilities Presidents, Strategy & Performance and Customer Care. |
| **Senior Vice President, Chief Human Resources Officer** | Enterprise Learning & Technology Training, Diversity, Equity, Inclusion & Giving, Property & Aviation, Safety, Talent Strategy, Total Rewards, Human Resources. |
| **Senior Vice President, Chief Communications Officer** | Customer Market & Brand Strategy, Executive Compensation, Corporate Communications Services, Operations Communications, Public Relations & Social Media, Jurisdictional Communications, Communications Strategy & Performance and Strategic Asset Plan. |
| **Senior Vice President, Chief Technology Officer** | IT Service Delivery, Security, Transformation Program Delivery, IT Infrastructure & Network, Project Management Office & Operational Technology Portfolio, Data Analytics, Artificial Intelligence & Architecture and Application Delivery. |
| **Senior Vice President, System Strategy & Chief Planning Officer** | Integrated Planning, Integrated System Planning Operations, Standards & Compliance Program Developments and Integrated System Modeling & Analysis. |

| Name of Respondent: Xcel Energy Services Inc. | This Report Is: (1) ☑ An Original (2) ☐ A Resubmission | Date of Report 04/04/2025 | Year/Period of Report: End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XV - Comparative Income Statement**

| Line No. | Account Number (a) | Title of Account (b) | Current Year (c) | Prior Year (d) |
|---|---|---|---|---|
| 1 | | SERVICE COMPANY OPERATING REVENUES | | |
| 2 | 400 | Service Company Operating Revenues | 1,791,471,157 | 1,793,008,174 |
| 3 | | SERVICE COMPANY OPERATING EXPENSES | | |
| 4 | 401 | Operation Expenses | 997,016,992 | 983,194,415 |
| 5 | 402 | Maintenance Expenses | 16,184,028 | 16,235,997 |
| 6 | 403 | Depreciation Expenses | | |
| 7 | 403.1 | Depreciation Expense for Asset Retirement Costs | | |
| 8 | 404 | Amortization of Limited-Term Property | | |
| 9 | 405 | Amortization of Other Property | | |
| 10 | 407.3 | Regulatory Debits | | |
| 11 | 407.4 | Regulatory Credits | | |
| 12 | 408.1 | Taxes Other Than Income Taxes, Operating Income | 23,681,029 | 26,209,377 |
| 13 | 409.1 | Income Taxes, Operating Income | (1,257,970) | (231,942) |
| 14 | 410.1 | Provision for Deferred Income Taxes, Operating Income | 0 | 0 |
| 15 | 411.1 | Provision for Deferred Income Taxes - Credit , Operating Income | | |
| 16 | 411.4 | Investment Tax Credit, Service Company Property | | |
| 17 | 411.6 | Gains from Disposition of Service Company Plant | 0 | |
| 18 | 411.7 | Losses from Disposition of Service Company Plant | 0 | |
| 19 | 411.10 | Accretion Expense | 0 | |
| 20 | 412 | Costs and Expenses of Construction or Other Services | 742,168,215 | 759,330,292 |

| | | | | |
|---|---|---|---|---|
| 21 | 416 | Costs and Expenses of Merchandising, Jobbing, and Contract Work | 22,824 | 4,367 |
| 22 | | TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21) | 1,777,815,118 | 1,784,742,506 |
| 23 | | NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22) | 13,656,039 | 8,265,668 |
| 24 | | OTHER INCOME | | |
| 25 | 418.1 | Equity in Earnings of Subsidiary Companies | 0 | |
| 26 | 419 | Interest and Dividend Income | 4,056,118 | 5,119,867 |
| 27 | 419.1 | Allowance for Other Funds Used During Construction | 0 | |
| 28 | 421 | Miscellaneous Income or Loss | 8,848,485 | 6,535,495 |
| 29 | 421.1 | Gain on Disposition of Property | 0 | |
| 30 | | TOTAL OTHER INCOME (Total of Lines 25-29) | 12,904,603 | 11,655,362 |
| 31 | | OTHER INCOME DEDUCTIONS | | |
| 32 | 421.2 | Loss on Disposition of Property | 0 | 0 |
| 33 | 425 | Miscellaneous Amortization | 0 | 0 |
| 34 | 426.1 | Donations | 8,740,040 | 1,662,605 |
| 35 | 426.2 | Life Insurance | [a](2,153,040) | (461,628) |
| 36 | 426.3 | Penalties | 150 | 52 |
| 37 | 426.4 | Expenditures for Certain Civic, Political and Related Activities | 2,614,764 | 2,146,088 |
| 38 | 426.5 | Other Deductions | 481,757 | 893,769 |
| 39 | | TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38) | 9,683,671 | 4,240,886 |
| 40 | | TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS | | |
| 41 | 408.2 | Taxes Other Than Income Taxes, Other Income and Deductions | 145,879 | 356,882 |
| 42 | 409.2 | Income Taxes, Other Income and Deductions | (10,338,738) | 8,605,157 |
| 43 | 410.2 | Provision for Deferred Income Taxes, Other Income and Deductions | 12,857,267 | (8,140,685) |

| | | | | |
|---|---|---|---|---|
| 44 | 411.2 | Provision for Deferred Income Taxes - Credit, Other Income and Deductions | | |
| 45 | 411.5 | Investment Tax Credit, Other Income Deductions | | |
| 46 | | TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45) | 2,664,408 | 821,354 |
| 47 | | INTEREST CHARGES | | |
| 48 | 427 | Interest on Long-Term Debt | 0 | 0 |
| 49 | 428 | Amortization of Debt Discount and Expense | 0 | 0 |
| 50 | 429 | (less) Amortization of Premium on Debt- Credit | 0 | 0 |
| 51 | 430 | Interest on Debt to Associate Companies | 14,117,758 | 14,711,497 |
| 52 | 431 | Other Interest Expense | 94,805 | 147,293 |
| 53 | 432 | (less) Allowance for Borrowed Funds Used During Construction-Credit | 0 | 0 |
| 54 | | TOTAL INTEREST CHARGES (Total of Lines 48-53) | 14,212,563 | 14,858,790 |
| 55 | | NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54) | 0 | 0 |
| 56 | | EXTRAORDINARY ITEMS | | |
| 57 | 434 | Extraordinary Income | | 0 |
| 58 | 435 | (less) Extraordinary Deductions | | 0 |
| 59 | | Net Extraordinary Items (Line 57 less Line 58) | 0 | 0 |
| 60 | 409.4 | (less) Income Taxes, Extraordinary | | 0 |
| 61 | | Extraordinary Items After Taxes (Line 59 less Line 60) | 0 | 0 |
| 62 | | NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55 and 61) | 0 | 0 |

FOOTNOTE DATA

(a) Concept: LifeInsurance

FERC Account 246.2-Life Insurance

The 2024 balance in FERC 426.2 includes the net premium, less increase in cash surrender value of policies.

| | | |
|---|---|---|
| Cash surrender value of policies | $ | (2,228,458) |
| Premiums | | 75,418 |
| **Total** | $ | (2,153,040) |

| Name of Respondent: Xcel Energy Services Inc. | This Report Is: (1) ☑ An Original (2) ☐ A Resubmission | Date of Report 04/04/2025 | Year/Period of Report: End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies**

1. Total cost of service will equal for associate and non-associate companies the total amount billed under their separate analysis of billing schedules.

| Line No. | Account Number (a) | Title of Account (b) | Associate Company Direct Cost (c) | Associate Company Indirect Cost (d) | Associate Company Total Cost (e) | Nonassociate Company Direct Cost (f) | Nonassociate Company Indirect Cost (g) | Nonassociate Company Total Cost (h) | Total Charges for Services Direct Cost (i) | Total Charges for Services Indirect Cost (j) | Total Charges for Services Total Cost (k) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 403-403.1 | Depreciation Expense | | | 0 | | | 0 | 0 | 0 | 0 |
| 2 | 404-405 | Amortization Expense | | | 0 | | | 0 | 0 | 0 | 0 |
| 3 | 407.3-407.4 | Regulatory Debits/Credits - Net | | | 0 | | | 0 | 0 | 0 | 0 |
| 4 | 408.1-408.2 | Taxes Other Than Income Taxes | 8,309,903 | 15,517,005 | 23,826,908 | | | 0 | 8,309,903 | 15,517,005 | 23,826,908 |
| 5 | 409.1-409.3 | Income Taxes | (11,596,708) | | (11,596,708) | | | 0 | (11,596,708) | 0 | (11,596,708) |
| 6 | 410.1-410.2 | Provision for Deferred Taxes | 12,857,267 | | 12,857,267 | | | 0 | 12,857,267 | 0 | 12,857,267 |
| 7 | 411.1-411.2 | Provision for Deferred Taxes - Credit | | | 0 | | | 0 | 0 | 0 | 0 |
| 8 | 411.6 | Gain from Disposition of Service Company Plant | | | 0 | | | 0 | 0 | 0 | 0 |
| 9 | 411.7 | Losses from Disposition of Service Company Plant | | | 0 | | | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | 411.4-411.5 | Investment Tax Credit Adjustment | | | 0 | | | 0 | 0 | 0 | 0 |
| 11 | 411.10 | Accretion Expense | | | 0 | | | 0 | 0 | 0 | 0 |
| 12 | 412 | Costs and Expenses of Construction or Other Services | 742,168,215 | | 742,168,215 | | | 0 | 742,168,215 | 0 | 742,168,215 |
| 13 | 416 | Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies | 22,824 | | 22,824 | | | 0 | 22,824 | 0 | 22,824 |
| 14 | 418 | Non-operating Rental Income | | | 0 | | | 0 | 0 | 0 | 0 |
| 15 | 418.1 | Equity in Earnings of Subsidiary Companies | | | 0 | | | 0 | 0 | 0 | 0 |
| 16 | 419 | Interest and Dividend Income | 3,315,693 | 740,425 | 4,056,118 | | | 0 | 3,315,693 | 740,425 | 4,056,118 |
| 17 | 419.1 | Allowance for Other Funds Used During Construction | | | 0 | | | 0 | 0 | 0 | 0 |
| 18 | 421 | Miscellaneous Income or Loss | | 8,848,485 | 8,848,485 | | | 0 | 0 | 8,848,485 | 8,848,485 |
| 19 | 421.1 | Gain on Disposition of Property | | | 0 | | | 0 | 0 | 0 | 0 |
| 20 | 421.2 | Loss on Disposition Of Property | | | 0 | | | 0 | 0 | 0 | 0 |
| 21 | 425 | Miscellaneous Amortization | | | 0 | | | 0 | 0 | 0 | 0 |
| 22 | 426.1 | Donations | 1,436,228 | 7,303,812 | 8,740,040 | | | 0 | 1,436,228 | 7,303,812 | 8,740,040 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 23 | 426.2 | Life Insurance | | (2,153,040)[a] | (2,153,040) | | | 0 | 0 | (2,153,040) | [b](2,153,040) |
| 24 | 426.3 | Penalties | | 150 | 150 | | | 0 | 0 | 150 | 150 |
| 25 | 426.4 | Expenditures for Certain Civic, Political and Related Activities | 117,731 | 2,497,033 | 2,614,764 | | | 0 | 117,731 | 2,497,033 | 2,614,764 |
| 26 | 426.5 | Other Deductions | 99,728 | 382,029 | 481,757 | | | 0 | 99,728 | 382,029 | 481,757 |
| 27 | 427 | Interest On Long-Term Debt | | | 0 | | | 0 | 0 | 0 | 0 |
| 28 | 428 | Amortization of Debt Discount and Expense | | | 0 | | | 0 | 0 | 0 | 0 |
| 29 | 429 | Amortization of Premium on Debt - Credit | | | 0 | | | 0 | 0 | 0 | 0 |
| 30 | 430 | Interest on Debt to Associate Companies | 14,117,758 | | 14,117,758 | | | 0 | 14,117,758 | 0 | 14,117,758 |
| 31 | 431 | Other Interest Expense | | 94,805 | 94,805 | | | 0 | 0 | 94,805 | 94,805 |
| 32 | 432 | Allowance for Borrowed Funds Used During Construction | | | 0 | | | 0 | 0 | 0 | 0 |
| 33 | 500-509 | Total Steam Power Generation Operation Expenses | 22,837,457 | 4,607,289 | 27,444,746 | | | 0 | 22,837,457 | 4,607,289 | 27,444,746 |
| 34 | 510-515 | Total Steam Power Generation Maintenance Expenses | 5,407,697 | 42,514 | 5,450,211 | | | 0 | 5,407,697 | 42,514 | 5,450,211 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 35 | 517-525 | Total Nuclear Power Generation Operation Expenses | 12,924,502 | 12 | 12,924,514 | | | 0 | 12,924,502 | 12 | 12,924,514 |
| 36 | 528-532 | Total Nuclear Power Generation Maintenance Expenses | 264,367 | | 264,367 | | | 0 | 264,367 | 0 | 264,367 |
| 37 | 535-540.1 | Total Hydraulic Power Generation Operation Expenses | 1,292,273 | 179,072 | 1,471,345 | | | 0 | 1,292,273 | 179,072 | 1,471,345 |
| 38 | 541-545.1 | Total Hydraulic Power Generation Maintenance Expenses | 396,753 | 1,164 | 397,917 | | | 0 | 396,753 | 1,164 | 397,917 |
| 39 | 546-550.1 | Total Other Power Generation Operation Expenses | 13,525,549 | 4,857,465 | 18,383,014 | | | 0 | 13,525,549 | 4,857,465 | 18,383,014 |
| 40 | 551-554.1 | Total Other Power Generation Maintenance Expenses | 5,184,913 | 44,325 | 5,229,238 | | | 0 | 5,184,913 | 44,325 | 5,229,238 |
| 41 | 555-557 | Total Other Power Supply Operation Expenses | 10,792,944 | 4,321,522 | 15,114,466 | | | 0 | 10,792,944 | 4,321,522 | 15,114,466 |
| 42 | 560 | Operation Supervision and Engineering | 9,022,035 | 4,619,034 | 13,641,069 | | | 0 | 9,022,035 | 4,619,034 | 13,641,069 |
| 43 | 561.1 | Load Dispatch-Reliability | | | 0 | | | 0 | 0 | 0 | 0 |
| 44 | 561.2 | Load Dispatch-Monitor and Operate Transmission System | 1,900,968 | 5,798,490 | 7,699,458 | | | 0 | 1,900,968 | 5,798,490 | 7,699,458 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | 561.3 | Load Dispatch-Transmission Service and Scheduling | | | 0 | | | 0 | 0 | 0 | 0 |
| 46 | 561.4 | Scheduling, System Control and Dispatch Services | | | 0 | | | 0 | 0 | 0 | 0 |
| 47 | 561.5 | Reliability Planning and Standards Development | 543,349 | 3,014 | 546,363 | | | 0 | 543,349 | 3,014 | 546,363 |
| 48 | 561.6 | Transmission Service Studies | 37,268 | | 37,268 | | | 0 | 37,268 | 0 | 37,268 |
| 49 | 561.7 | Generation Interconnection Studies | 799,122 | | 799,122 | | | 0 | 799,122 | 0 | 799,122 |
| 50 | 561.8 | Reliability Planning and Standards Development Services | 1,336 | | 1,336 | | | 0 | 1,336 | 0 | 1,336 |
| 51 | 562 | Station Expenses (Major Only) | 27,977 | | 27,977 | | | 0 | 27,977 | 0 | 27,977 |
| 51.1 | 562.1 | Operation of Energy Storage Equipment | | | | | | | | | |
| 52 | 563 | Overhead Line Expenses (Major Only) | 126,990 | | 126,990 | | | 0 | 126,990 | 0 | 126,990 |
| 53 | 564 | Underground Line Expenses (Major Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 54 | 565 | Transmission of Electricity by Others (Major Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 55 | 566 | Miscellaneous Transmission Expenses (Major Only) | 14,645,734 | 943,028 | 15,588,762 | | | 0 | 14,645,734 | 943,028 | 15,588,762 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 56 | 567 | Rents | 4,263,748 | 41,919 | 4,305,667 | | | 0 | 4,263,748 | 41,919 | 4,305,667 |
| 57 | 567.1 | Operation Supplies and Expenses (Nonmajor Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 58 | | Total Transmission Operation Expenses | 31,368,527 | 11,405,485 | 42,774,012 | | | 0 | 31,368,527 | 11,405,485 | 42,774,012 |
| 59 | 568 | Maintenance Supervision and Engineering (Major Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 60 | 569 | Maintenance of Structures (Major Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 61 | 569.1 | Maintenance of Computer Hardware | | | 0 | | | 0 | 0 | 0 | 0 |
| 62 | 569.2 | Maintenance of Computer Software | | | 0 | | | 0 | 0 | 0 | 0 |
| 63 | 569.3 | Maintenance of Communication Equipment | | | 0 | | | 0 | 0 | 0 | 0 |
| 64 | 569.4 | Maintenance of Miscellaneous Regional Transmission Plant | | | 0 | | | 0 | 0 | 0 | 0 |
| 65 | 570 | Maintenance of Station Equipment (Major Only) | 6,139 | | 6,139 | | | 0 | 6,139 | 0 | 6,139 |
| 65.1 | 570.1 | Maintenance of Energy Storage Equipment | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 66 | 571 | Maintenance of Overhead Lines (Major Only) | 213,141 | | 213,141 | | | 0 | 213,141 | 0 | 213,141 |
| 67 | 572 | Maintenance of Underground Lines (Major Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 68 | 573 | Maintenance of Miscellaneous Transmission Plant (Major Only) | 33 | | 33 | | | 0 | 33 | 0 | 33 |
| 69 | 574 | Maintenance of Transmission Plant (Nonmajor Only) | | | 0 | | | 0 | 0 | 0 | 0 |
| 70 | | Total Transmission Maintenance Expenses | 219,313 | 0 | 219,313 | | | 0 | 219,313 | 0 | 219,313 |
| 71 | 575.1-575.8 | Total Regional Market Operation Expenses | 886,202 | | 886,202 | | | 0 | 886,202 | 0 | 886,202 |
| 72 | 576.1-576.5 | Total Regional Market Maintenance Expenses | | | 0 | | | 0 | 0 | 0 | 0 |
| 73 | 580-589 | Total Distribution Operation Expenses | 28,257,437 | 5,762,451 | 34,019,888 | | | 0 | 28,257,437 | 5,762,451 | 34,019,888 |
| 74 | 590-598 | Total Distribution Maintenance Expenses | 1,758,480 | | 1,758,480 | | | 0 | 1,758,480 | 0 | 1,758,480 |
| 75 | | Total Electric Operation and Maintenance Expenses | 899,333,667 | 45,274,183 | 944,607,850 | | | 0 | 899,333,667 | 45,274,183 | 944,607,850 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 76 | 700-798 | Production Expenses (Provide selected accounts in a footnote) | 38,661 | | 38,661 | | | 0 | 38,661 | 0 | 38,661 |
| 77 | 800-813 | Total Other Gas Supply Operation Expenses | 1,209,403 | | 1,209,403 | | | 0 | 1,209,403 | 0 | 1,209,403 |
| 78 | 814-826 | Total Underground Storage Operation Expenses | 55,660 | | 55,660 | | | 0 | 55,660 | 0 | 55,660 |
| 79 | 830-837 | Total Underground Storage Maintenance Expenses | 215,371 | | 215,371 | | | 0 | 215,371 | 0 | 215,371 |
| 80 | 840-842.3 | Total Other Storage Operation Expenses | 1,337,089 | | 1,337,089 | | | 0 | 1,337,089 | 0 | 1,337,089 |
| 81 | 843.1-843.9 | Total Other Storage Maintenance Expenses | 31,146 | | 31,146 | | | 0 | 31,146 | 0 | 31,146 |
| 82 | 844.1-846.2 | Total Liquefied Natural Gas Terminaling and Processing Operation Expenses | 131,082 | | 131,082 | | | 0 | 131,082 | 0 | 131,082 |
| 83 | 847.1-847.8 | Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses | 7,840 | | 7,840 | | | 0 | 7,840 | 0 | 7,840 |
| 84 | 850 | Operation Supervision and Engineering | 1,470,050 | 755,749 | 2,225,799 | | | 0 | 1,470,050 | 755,749 | 2,225,799 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 85 | 851 | System Control and Load Dispatching | 24,610 | 271,712 | 296,322 | | | 0 | 24,610 | 271,712 | 296,322 |
| 86 | 852 | Communication System Expenses | | | 0 | | | 0 | 0 | 0 | 0 |
| 87 | 853 | Compressor Station Labor and Expenses | 2,666 | | 2,666 | | | 0 | 2,666 | 0 | 2,666 |
| 88 | 854 | Gas for Compressor Station Fuel | | | 0 | | | 0 | 0 | 0 | 0 |
| 89 | 855 | Other Fuel and Power for Compressor Stations | | | 0 | | | 0 | 0 | 0 | 0 |
| 90 | 856 | Mains Expenses | 37,088 | | 37,088 | | | 0 | 37,088 | 0 | 37,088 |
| 91 | 857 | Measuring and Regulating Station Expenses | 1,813 | | 1,813 | | | 0 | 1,813 | 0 | 1,813 |
| 92 | 858 | Transmission and Compression of Gas By Others | | | 0 | | | 0 | 0 | 0 | 0 |
| 93 | 859 | Other Expenses | 685,331 | 16,795 | 702,126 | | | 0 | 685,331 | 16,795 | 702,126 |
| 94 | 860 | Rents | 1,032,485 | | 1,032,485 | | | 0 | 1,032,485 | 0 | 1,032,485 |
| 95 | | Total Gas Transmission Operation Expenses | 3,254,043 | 1,044,256 | 4,298,299 | | | 0 | 3,254,043 | 1,044,256 | 4,298,299 |
| 96 | 861 | Maintenance Supervision and Engineering | | | 0 | | | 0 | 0 | 0 | 0 |
| 97 | 862 | Maintenance of Structures and Improvements | | | 0 | | | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 98 | 863 | Maintenance of Mains | 10,580 | | 10,580 | | | 0 | 10,580 | 0 | 10,580 |
| 99 | 864 | Maintenance of Compressor Station Equipment | 1,921 | | 1,921 | | | 0 | 1,921 | 0 | 1,921 |
| 100 | 865 | Maintenance of Measuring And Regulating Station Equipment | 620 | | 620 | | | 0 | 620 | 0 | 620 |
| 101 | 866 | Maintenance of Communication Equipment | 1 | 1,600 | 1,601 | | | 0 | 1 | 1,600 | 1,601 |
| 102 | 867 | Maintenance of Other Equipment | | | 0 | | | 0 | 0 | 0 | 0 |
| 103 | | Total Gas Transmission Maintenance Expenses | 13,122 | 1,600 | 14,722 | | | 0 | 13,122 | 1,600 | 14,722 |
| 104 | 871-881 | Total Distribution Operation Expenses | 15,874,224 | 3,923,242 | 19,797,466 | | | 0 | 15,874,224 | 3,923,242 | 19,797,466 |
| 105 | 885-894 | Total Distribution Maintenance Expenses | 517,479 | | 517,479 | | | 0 | 517,479 | 0 | 517,479 |
| 106 | | Total Natural Gas Operation and Maintenance Expenses | 22,685,120 | 4,969,098 | 27,654,218 | | | 0 | 22,685,120 | 4,969,098 | 27,654,218 |
| 107 | 901 | Supervision | | 421,109 | 421,109 | | | 0 | 0 | 421,109 | 421,109 |
| 108 | 902 | Meter reading expenses | 16,350,394 | 10,814,955 | 27,165,349 | | | 0 | 16,350,394 | 10,814,955 | 27,165,349 |
| 109 | 903 | Customer records and collection expenses | 823,582 | 62,765,452 | 63,589,034 | | | 0 | 823,582 | 62,765,452 | 63,589,034 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 110 | 904 | Uncollectible accounts | 2 | | 2 | | | 0 | 2 | 0 | 2 |
| 111 | 905 | Miscellaneous customer accounts expenses | 951,725 | | 951,725 | | | 0 | 951,725 | 0 | 951,725 |
| 112 | | Total Customer Accounts Operation Expenses | 18,125,703 | 74,001,516 | 92,127,219 | | | 0 | 18,125,703 | 74,001,516 | 92,127,219 |
| 113 | 907 | Supervision | | | 0 | | | 0 | 0 | 0 | 0 |
| 114 | 908 | Customer assistance expenses | 1,037,914 | 696,707 | 1,734,621 | | | 0 | 1,037,914 | 696,707 | 1,734,621 |
| 115 | 909 | Informational And Instructional Advertising Expenses | 717,965 | 1,241,611 | 1,959,576 | | | 0 | 717,965 | 1,241,611 | 1,959,576 |
| 116 | 910 | Miscellaneous Customer Service And Informational Expenses | 576,700 | | 576,700 | | | 0 | 576,700 | 0 | 576,700 |
| 117 | | Total Service and Informational Operation Accounts | 2,332,579 | 1,938,318 | 4,270,897 | | | 0 | 2,332,579 | 1,938,318 | 4,270,897 |
| 118 | 911 | Supervision | | | 0 | | | 0 | 0 | 0 | 0 |
| 119 | 912 | Demonstrating and Selling Expenses | 4,846,192 | 1,612,707 | 6,458,899 | | | 0 | 4,846,192 | 1,612,707 | 6,458,899 |
| 120 | 913 | Advertising Expenses | | | 0 | | | 0 | 0 | 0 | 0 |
| 121 | 916 | Miscellaneous Sales Expenses | 94,850 | | 94,850 | | | 0 | 94,850 | 0 | 94,850 |
| 122 | | Total Sales Operation Expenses | 4,941,042 | 1,612,707 | 6,553,749 | | | 0 | 4,941,042 | 1,612,707 | 6,553,749 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 123 | 920 | Administrative and General Salaries | 31,468,324 | 188,915,225 | 220,383,549 | | | 0 | 31,468,324 | 188,915,225 | 220,383,549 |
| 124 | 921 | Office Supplies and Expenses | 26,590,513 | 117,532,347 | 144,122,860 | | | 0 | 26,590,513 | 117,532,347 | 144,122,860 |
| 125 | 923 | Outside Services Employed | 4,994,857 | 47,848,320 | 52,843,177 | | | 0 | 4,994,857 | 47,848,320 | 52,843,177 |
| 126 | 924 | Property Insurance | | 181,492 | 181,492 | | | 0 | 0 | 181,492 | 181,492 |
| 127 | 925 | Injuries and Damages | 81,199 | 29,922,930 | 30,004,129 | | | 0 | 81,199 | 29,922,930 | 30,004,129 |
| 128 | 926 | Employee Pensions and Benefits | 25,618,345 | 49,434,299 | 75,052,644 | | | 0 | 25,618,345 | 49,434,299 | 75,052,644 |
| 129 | 928 | Regulatory Commission Expenses | 36,414 | | 36,414 | | | 0 | 36,414 | 0 | 36,414 |
| 130 | 930.1 | General Advertising Expenses | 8,253 | 7,365,818 | 7,374,071 | | | 0 | 8,253 | 7,365,818 | 7,374,071 |
| 131 | 930.2 | Miscellaneous General Expenses | 268,951 | 13,215,479 | 13,484,430 | | | 0 | 268,951 | 13,215,479 | 13,484,430 |
| 132 | 931 | Rents | 23,801,861 | 146,895,049 | 170,696,910 | | | 0 | 23,801,861 | 146,895,049 | 170,696,910 |
| 133 | | Total Administrative and General Operation Expenses | 112,868,717 | 601,310,959 | 714,179,676 | | | 0 | 112,868,717 | 601,310,959 | 714,179,676 |
| 134 | 935 | Maintenance of Structures and Equipment | 1,613,513 | 464,035 | 2,077,548 | | | 0 | 1,613,513 | 464,035 | 2,077,548 |
| 135 | | Total Administrative and General Maintenance Expenses | 139,881,554 | 679,327,535 | 819,209,089 | | | 0 | 139,881,554 | 679,327,535 | 819,209,089 |
| 136 | | Total Cost of Service | 1,061,900,341 | 729,570,816 | 1,791,471,157 | | | 0 | 1,061,900,341 | 729,570,816 | 1,791,471,157 |

FOOTNOTE DATA

(a) Concept: LifeInsuranceAssociateCompanyIndirectCost

FERC Account 246.2-Life Insurance

The 2024 balance in FERC 426.2 includes the net premium, less increase in cash surrender value of policies.

| | | |
|---|---|---|
| Cash surrender value of policies | $ | (2,228,458) |
| Premiums | | 75,418 |
| **Total** | $ | (2,153,040) |

(b) Concept: LifeInsurance

FERC Account 246.2-Life Insurance

The 2024 balance in FERC 426.2 includes the net premium, less increase in cash surrender value of policies.

| | | |
|---|---|---|
| Cash surrender value of policies | $ | (2,228,458) |
| Premiums | | 75,418 |
| **Total** | $ | (2,153,040) |

| Name of Respondent: Xcel Energy Services Inc. | This Report Is: (1) ☑ An Original (2) ☐ A Resubmission | Date of Report 04/04/2025 | Year/Period of Report: End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XVII - Analysis of Billing - Associate Companies (Account 457)**

1. For Services Rendered to Associate Companies (Account 457), list all of the associate companies.

| Line No. | Name of Associate Company (a) | Account 457.1 Direct Costs Charged (b) | Account 457.2 Indirect Costs Charged (c) | Account 457.3 Compensation for Use of Capital (d) | Total Amount Billed (e) |
|---|---|---|---|---|---|
| 1 | NSP-Minnesota | 403,683,449 | 303,107,023 | 3,145,268 | 709,935,740 |
| 2 | PSCo | 409,990,098 | 262,342,978 | 4,767,948 | 677,101,024 |
| 3 | SPS | 145,902,991 | 95,094,475 | 2,786,078 | 243,783,544 |
| 4 | NSP-Wisconsin | 80,614,887 | 47,147,429 | 1,004,605 | 128,766,921 |
| 5 | Xcel Energy, Inc. | 4,885,978 | 21,415,505 | (925,170) | 25,376,313 |
| 6 | Xcel Energy Joint Ventures | 4,061,760 | 0 | 0 | [a]4,061,760 |
| 7 | Nicollet Land Services, LLC | 1,610,336 | 1,933 | 11,529 | 1,623,798 |
| 8 | Nicollet Projects I, LLC | 203,087 | 46,311 | 2,027 | 251,425 |
| 9 | Eloigne Company | 69,107 | 73,170 | 1,143 | 143,420 |
| 10 | Xcel Energy WYCO, Inc. | 11,690 | 98,947 | 3,798 | 114,435 |
| 11 | Energy Impact Fund Investments, Inc. | 3,332 | 72,808 | 477 | 76,617 |
| 12 | Capital Services, LLC | (51,995) | 126,665 | 766 | 75,436 |
| 13 | Xcel Energy Ventures Holdings, Inc. | 48,279 | 0 | 296 | 48,575 |
| 14 | WestGas Interstate, Inc. | 31,038 | 1,350 | 229 | 32,617 |
| 15 | United Power & Land Company | 30,169 | 1,322 | 246 | 31,737 |
| 16 | Chippewa and Flambeau Improvement Company | 26,341 | 2,451 | 184 | 28,976 |
| 17 | 1480 Welton, Inc. | 5,023 | 22,746 | 222 | 27,991 |
| 18 | Xcel Energy Investments | 5,658 | 10,071 | 102 | 15,831 |

| | | | | | |
|---|---|---|---|---|---|
| 19 | Reddy Kilowatt Corporation | 6,861 | 1,584 | 64 | 8,509 |
| 20 | Xcel Energy Wholesale Group, Inc. | 7,651 | 0 | 0 | 7,651 |
| 21 | P.S.R. Investments, Inc | 5,984 | 519 | 679 | 7,182 |
| 22 | Xcel Energy Transmission Holding Company, LLC | 6,426 | 211 | 44 | 6,681 |
| 23 | Clearwater Investments, Inc. | 2,833 | 2,295 | 1,182 | 6,310 |
| 24 | Quixx Corporation | 5,725 | 0 | 0 | 5,725 |
| 25 | Nicollet Holdings Company | 5,227 | 0 | 32 | 5,259 |
| 26 | Xcel Energy Transmission Development Company, LLC | 5,126 | 15 | 35 | 5,176 |
| 27 | Xcel Energy Southwest Transmission Company, LLC | 5,113 | 0 | 36 | 5,149 |
| 28 | Xcel Energy Retail Holdings Inc. | 5,032 | 0 | 34 | 5,066 |
| 29 | Xcel Energy Markets Holdings, Inc. | 4,974 | 0 | 33 | 5,007 |
| 30 | Xcel Energy International, Inc. | 3,040 | 0 | 0 | 3,040 |
| 31 | Xcel Energy Nuclear Services Oregon, LLC | 2,953 | 0 | 18 | 2,971 |
| 32 | Xcel Energy West Transmission Company, LLC | 2,909 | 0 | 18 | 2,927 |
| 33 | Xcel Energy Communications Group, Inc. | 1,988 | 0 | 12 | 2,000 |
| 34 | e-prime, Inc. | 1,909 | 0 | 0 | 1,909 |
| 35 | Seren Innovations, Inc. | 1,538 | 0 | 0 | 1,538 |
| 36 | Xcel Energy Performance Contracting, Inc. | 2 | 65 | 1 | 68 |
| 37 | Xcel Energy Nuclear Services Holdings, LLC | (1,469) | 450 | 10 | (1,009) |
| 38 | Xcel Energy Ventures, Inc. | (11,885) | 0 | 36 | (11,849) |
| 39 | Xcel Energy Nuclear Services Idaho, LLC | (22,140) | 493 | 68 | (21,579) |
| 40 | Nicollet Project Holdings | (72,749) | 0 | 15 | (72,734) |
| 41 | | | | | 0 |
| 40 | Total | 1,051,098,276 | 729,570,816 | 10,802,065 | 1,791,471,157 |

FOOTNOTE DATA

(a) Concept: ServicesRenderedToAssociateCompanies

**Xcel Energy Joint Ventures:**
The amount represents the combined total of all Xcel Energy Joint Ventures as listed below:

| | | |
|---|---|---|
| Joint Venture Comanche 3 | $ | 2,170,268 |
| Joint Venture CAPX | | 1,552,583 |
| Joint Venture Sherco 3 | | 296,626 |
| Joint Venture Hayden | | 42,283 |
| Joint Venture Tri-State | | — |
| **Total** | $ | 4,061,760 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)**

1. For Services Rendered to Non-Associate Companies (Account 458), list all of the non-associate companies. In a footnote, describe the services rendered to each respective non-associate company.

| Line No. | Name of Non-associate Company (a) | Account 458.1 Direct Costs Charged (b) | Account 458.2 Indirect Costs Charged (c) | Account 458.3 Compensation for Use of Capital (d) | Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e) | Total Amount Billed (f) |
|---|---|---|---|---|---|---|
| 1 | | | | | | |
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| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | Total | 0 | 0 | 0 | 0 | 0 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XIX - Miscellaneous General Expenses - Account 930.2**

1. Provide a listing of the amount included in Miscellaneous General Expenses (Account 930.2), classifying such expenses according to their nature. Amounts less than $50,000 may be grouped showing the number of items and the total for the group.
2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

| Line No. | Title of Account<br>(a) | Amount<br>(b) |
|---|---|---|
| 1 | Utility Association Dues | 5,882,225 |
| 2 | Board of Directors Fees and Expenses | 4,873,347 |
| 3 | Corporate Development Expenses | 1,408,300 |
| 4 | Shareholder Relation Expenses | 1,112,226 |
| 5 | SEC Filing and Shareholder Reporting Expenses | 208,332 |
| 40 | Total | 13,484,430 |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|
| **Schedule XX - Organization Chart** | | | |
| 1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization. | | | |
| | | | |

| Name of Respondent:<br>Xcel Energy Services Inc. | This Report Is:<br>(1) ☑ An Original<br>(2) ☐ A Resubmission | Date of Report<br>04/04/2025 | Year/Period of Report:<br>End of: 2024/ Q4 |
|---|---|---|---|

**Schedule XXI - Methods of Allocation**

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

**Allocation Ratios**

The following ratios will be utilized as outlined above.

*Revenue Ratio* - Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc.* – Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the amount of intercompany dividends. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Employee Ratio* - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes

*Employee Ratio with number of common officers assigned to Xcel Energy Inc.* - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the number of common officers. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total Assets Ratio* - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total Assets Ratio including Xcel Energy Inc's Per Book Assets* - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned the per book assets of Xcel Energy Inc. This ratio will be determined annually, or at such time as may be required due to significant changes.
*Square Footage Ratio* - Based on the total square footage as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Invoice Transaction Ratio* - Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such time as may be required due to significant changes.

*Customer Bills Ratio* - Based on the average of the monthly total number of customer bills issued during the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*MWh Generation Ratio* - Based on the sum of the monthly electric MWh generated by type of generator during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Total MWh Sales Ratio* - Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Customers Ratio* - Based on the average of the monthly total electric customers (and/or gas customers, or residential, business and large commercial and industrial customers, where applicable) for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate

companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Delivery Services Gross Plant Ratio* - Based on transmission and distribution gross plant, both electric and gas, for the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the electric transmission gross plant;
(2) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the electric distribution gross plant;
(3) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the gas transmission gross plant;
(4) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the gas distribution gross plant;
(5) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the electric transmission gross plant and the electric distribution gross plant;
(6) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant and the gas transmission gross plant;
(7) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant and the gas distribution gross plant;
(8) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the electric distribution gross plant and the gas transmission gross plant;
(9) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the electric distribution gross plant and the gas distribution gross plant;
(10) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the gas transmission gross plant and the gas distribution gross plant;
(11) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas transmission gross plant;
(12) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the electric distribution gross plant, and the gas distribution gross plant;
(13) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric transmission gross plant, the gas transmission gross plant, and the gas distribution gross plant;
(14) If the costs being allocated are directly related only to electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the electric distribution plant, the gas transmission gross plant, and the gas distribution gross plant.

*Meters Ratio* - Based on the number of meters at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to Advanced Metering Infrastructure ("AMI") enabled meters, the ratio shall be based on the number of AMI enabled meters.

*Customer Contacts Ratio* - Based on the total annual number of customer contacts at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

If the costs being allocated are directly related only to the support of special needs customers, such as those receiving low income energy assistance and those having certified medical conditions, the Special Needs Customer Contacts Ratio shall be used.

*Special Needs Customer Contacts Ratio* - Based on the number of contacts received by the special needs customer department at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.
*Accounts Payable Transactions Ratio* - Based on the total annual number of accounts payable transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Inventory Transactions Ratio* - Based on the total annual number of inventory transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Work Management Transactions Ratio* - Based on the total annual number of work management transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Purchasing Transactions Ratio* - Based on the total annual number of purchasing transactions by system application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Plant Ratio* - Based on total property, plant and equipment at the end of the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Provided, however, as follows:
(1) If the costs being allocated are directly related only to electric production, the ratio shall be based on the total electric production plant;
(2) If the costs being allocated are directly related only to electric transmission, the ratio shall be based on the total electric transmission plant;
(3) If the costs being allocated are directly related only to electric distribution, the ratio shall be based on the total electric distribution plant;
(4) If the costs being allocated are directly related only to gas transmission, the ratio shall be based on the total gas transmission plant;
(5) If the costs being allocated are directly related only to gas distribution, the ratio shall be based on the total gas distribution plant;
(6) If the costs being allocated are directly related only to electric vehicles, the ratio shall be based on the total electric vehicle plant;
(7) If the costs being allocated are directly related only to intangible plant, the ratio shall be based on the total intangible plant;
(8) If the costs being allocated are directly related only to electric production and electric transmission, the ratio shall be based on the sum of the total electric production plant and the total electric transmission plant;
(9) If the costs being allocated are directly related only to electric production and electric distribution, the ratio shall be based on the sum of the total electric production plant and the total electric distribution plant;
(10) If the costs being allocated are directly related only to electric production and gas transmission, the ratio shall be based on the sum of the total electric production plant and the total gas transmission plant;
(11) If the costs being allocated are directly related only to electric production and gas distribution, the ratio shall be based on the sum of the total electric production plant and the total gas distribution plant;
(12) If the costs being allocated are directly related only to electric production and intangible plant, the ratio shall be based on the sum of the total electric production plant and the total intangible plant;
(13) If the costs being allocated are directly related only to electric transmission and electric distribution, the ratio shall be based on the sum of the total electric transmission plant and the total electric distribution plant;
(14) If the costs being allocated are directly related only to electric transmission and gas transmission, the ratio shall be based on the sum of the total electric transmission plant and the total gas transmission plant;
(15) If the costs being allocated are directly related only to electric transmission and gas distribution, the ratio shall be based on the sum of the total electric transmission plant and the total gas distribution plant;
(16) If the costs being allocated are directly related only to electric transmission and intangible plant, the ratio shall be based on the sum of the total electric transmission plant and the total intangible plant;
(17) If the costs being allocated are directly related only to electric distribution and gas transmission, the ratio shall be based on the sum of the total electric distribution plant and the total gas transmission plant;
(18) If the costs being allocated are directly related only to electric distribution and gas distribution, the ratio shall be based on the sum of the total electric distribution plant and the total gas distribution plant;
(19) If the costs being allocated are directly related only to electric distribution and intangible plant, the ratio shall be based on the sum of the total electric distribution plant and the total intangible plant;
(20) If the costs being allocated are directly related only to electric distribution and electric vehicle plant, the ratio shall be based on the sum of the total electric distribution plant and the total electric vehicle plant;
(21) If the costs being allocated are directly related only to gas transmission and gas distribution, the ratio shall be based on the sum of the total gas transmission plant and the total gas distribution plant;
(22) If the costs being allocated are directly related only to gas transmission and intangible plant, the ratio shall be based on the sum of the total gas transmission plant and the total intangible plant;
(23) If the costs being allocated are directly related only to gas distribution and intangible plant, the ratio shall be based on the sum of the total gas distribution plant and the total intangible plant;
(24) If the costs being allocated are directly related only to electric production, electric transmission, and electric distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total electric distribution plant;
(25) If the costs being allocated are directly related only to electric production, electric transmission, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas transmission plant;
(26) If the costs being allocated are directly related only to electric production, electric transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total gas distribution plant;
(27) If the costs being allocated are directly related only to electric production, electric transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, and the total intangible plant;
(28) If the costs being allocated are directly related only to electric production, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas transmission plant;
(29) If the costs being allocated are directly related only to electric production, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total gas distribution plant;
(30) If the costs being allocated are directly related only to electric production, electric distribution, and intangible, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, and the total intangible plant;
(31) If the costs being allocated are directly related only to electric production, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total gas distribution plant;

(32) If the costs being allocated are directly related only to electric production, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, and the total intangible plant;
(33) If the costs being allocated are directly related only to electric production, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas distribution plant, and the total intangible plant;
(34) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;
(35) If the costs being allocated are directly related only to electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;
(36) If the costs being allocated are directly related only to electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, and the total intangible plant;
(37) If the costs being allocated are directly related only to electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;
(38) If the costs being allocated are directly related only to electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, and the total intangible plant;
(39) If the costs being allocated are directly related only to electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas distribution plant, and the total intangible plant;
(40) If the costs being allocated are directly related only to electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(41) If the costs being allocated are directly related only to electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(42) If the costs being allocated are directly related only to electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;
(43) If the costs being allocated are directly related only to gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(44) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas transmission plant;
(45) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total gas distribution plant;
(46) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, and the total intangible plant;
(47) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total gas distribution plant;
(48) If the costs being allocated are directly related only to electric production, electric transmission, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas transmission plant, and the total intangible plant;
(49) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;
(50) If the costs being allocated are directly related only to electric production, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(51) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(52) If the costs being allocated are directly related only to electric production, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(53) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and gas distribution, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total gas distribution plant;
(54) If the costs being allocated are directly related only to electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(55) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(56) If the costs being allocated are directly related only to electric transmission, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(57) If the costs being allocated are directly related only to electric distribution, gas transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric distribution plant, the total gas transmission plant, the total gas distribution plant, and the total intangible plant;
(58) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, and the total intangible plant;
(59) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and gas transmission, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total gas transmission plant;

(60) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas transmission plant, and the total intangible plant;
(61) If the costs being allocated are directly related only to electric production, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;
(62) If the costs being allocated are directly related only to electric production, electric transmission, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant;
(63) If the costs being allocated are directly related only to electric production, electric transmission, electric distribution, gas distribution, and intangible plant, the ratio shall be based on the sum of the total electric production plant, the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, and the total intangible plant;
(64) If the costs being allocated are directly related only to electric transmission, electric distribution, gas distribution, gas transmission, and intangible plant, the ratio shall be based on the sum of the total electric transmission plant, the total electric distribution plant, the total gas distribution plant, the total gas transmission plant, and the total intangible plant.

*Total Phones Ratio* - Based on the number of phones at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Radios Ratio* - Based on the number of radios at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Computers Ratio* - Based on the number of computers at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

*Total Software Applications Users Ratio* - Based on the number of users of a specific software application at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.
*Joint Operating Agreement Peak Hour Megawatt Load Ratio* - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on peak hour of megawatt load for previous year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Joint Operating Agreement Labor Hours Ratio* - Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services Inc., as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on labor hours at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

*Direct Labor Ratio* – Based on fully-loaded direct-charged Rates and Regulation labor dollars charged to individual operating affiliates by the Rates and Regulation service function. The numerator of which is the fully-loaded direct-charged labor dollars to individual operating affiliates by Rates and Regulation service function and the denominator of which is the total fully-loaded direct-charged labor dollars to all affiliates by the Rates and Regulation service function.

**Description of Services Provided**

A description of the services provided by Xcel Energy Services is detailed below. Identifiable costs will be directly assigned to the Operating Companies and other affiliates. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

*a) Executive Management Services**

Description - Represents charges for Xcel Energy Inc. ("Xcel Energy") executive management and services, including, but not limited to, officers of Xcel Energy.

Method of Allocation - Executive Management Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*b) Investor Relations**

Description - Provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting.

Method of Allocation - Investor Relations indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*c) Internal Audit & Risk**

Description - Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks and trading risks.

Method of Allocation - Internal Audit and Risk indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

a. indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*d) Legal**

Description - Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation - Legal indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.
*e) Claims Services**

Description - Provides claims services related to casualty, public and company claims.

Method of Allocation - Claims Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*f) Corporate Communications**

Description - Provides corporate communications, speech writing and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy system. Manages and tracks all charitable contributions made on behalf of the Xcel Energy system.

Method of Allocation - Corporate Communications indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*g) Employee Communications**

Description - Develops and distributes communications to employees.

Method of Allocation - Employee Communications indirect costs will be allocated based on the Employee Ratio.

*h) Corporate Strategy & Business Development**

Description - Facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance and evaluates business opportunities. Develops and facilitates process improvements.

Method of Allocation - Corporate Strategy & Business Development indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*i) Government Affairs**

Description - Monitors, reviews and researches government legislation.

Method of Allocation - Government Affairs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*j) Facilities & Real Estate**

Description - Operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment.

Method of Allocation - Facilities & Real Estate indirect costs will be allocated based on the Employee Ratio.
*k) Facilities Administrative Services**

Description - Includes but is not limited to the functions of mail delivery, duplicating and records management.

Method of Allocation - Facilities Administrative Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio

*l) Supply Chain**

Description - Includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts.

Method of Allocation - Supply Chain will be direct charged. Any management and oversight of the payment and reporting services activities that cannot be direct charged will be allocated based on the Invoice Transaction Ratio.

*m) Supply Chain Special Programs**

Description - Develops and implements special programs utilized across the company such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals.

Method of Allocation - Supply Chain Special Programs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*n) Human Resources**

Description - Establishes and administers policies related to employment, compensation and benefits. Maintains Human Resources computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general Human Resources support services.

Method of Allocation - Human Resources indirect costs will be allocated based on the Employee Ratio.

*o) Finance & Treasury**

Description - Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets. Performs financial and economic analysis.

Method of Allocation - Finance & Treasury indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

a. indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*p) Accounting, Financial Reporting & Taxes**

Description - Maintains the books and records. Prepares financial and statistical reports, tax filings and ensures compliance with the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process.

Method of Allocation – Accounting, Financial Reporting & Taxes indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, except for:

(1) indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*q) Payment & Reporting**

Description - Processes payments to vendors and prepares statistical reports.

Method of Allocation - Payment & Reporting indirect costs will be allocated based on the Invoice Transaction Ratio.

*r) Receipts Processing**

Description - Processes payments received from customers of the Operating Companies and affiliates.

Method of Allocation - Receipts Processing indirect costs will be allocated based on the Customer Bills Ratio.

*s) Payroll**

Description - Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation - Payroll indirect costs will be allocated based on the Employee Ratio.

*t) Rates & Regulation**

Description - Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation - Rates & Regulation indirect costs will be allocated based on the Direct Labor Ratio.
*u) Environmental Services & System Planning**

Description - Responsible for the long-term planning and integration for generation, transmission and distribution of electric and natural gas systems. Also, provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects.

Method of Allocation - Environmental Services & System Planning will be direct charged; indirect costs will be allocated based on the Total Plant Ratio.

*v) Energy Supply Business Resources**

Description - Provides performance, specialists and analytical services to the Operating Companies' generation facilities.

Method of Allocation - Energy Supply Business Resources indirect costs will be allocated based on the MWh Generation Ratio.

*w) Energy Markets Regulated Trading & Marketing**

Description - Provides electric trading services to the Operating Companies' electric generation systems including load management, system optimization and resource acquisition.

Method of Allocation - Energy Markets Regulated Trading & Marketing indirect costs will be allocated based on the Total MWh Sales Ratio, except for:

a. indirect costs associated with proprietary trading activities, which will be allocated based on the Joint Operating Agreement Peak Hour Megawatt Load Ratio, provided, however, that indirect costs provided jointly for both generation trading activities and proprietary trading activities will be allocated based on the Joint Operating Agreement Labor Hours Ratio.

*x) Energy Markets - Fuel Procurement**

Description - Purchases fuel for Operating Companies electric generation systems (excluding nuclear).

Method of Allocation - Energy Markets Fuel Procurement indirect costs will be allocated based on the MWh Generation Ratio.

*y) Energy Delivery Marketing**

Description - Develops new business opportunities and markets the products and services for the Delivery Business Unit.

Method of Allocation - Energy Delivery Marketing will be direct charged.

*z) Energy Delivery Construction, Operations & Maintenance (COM)**

Description - Constructs, maintains and operates electric and gas delivery systems.
Method of Allocation - Energy Delivery COM indirect costs will be allocated based on the Delivery Services Gross Plant Ratio.

*aa) Energy Delivery Engineering/Design**

Description - Provides engineering and design services in support of capacity planning, construction, operations and material standards.

Method of Allocation - Energy Delivery Engineering/Design services will be direct charged; administrative support functions that cannot be direct charged will be allocated based on the Delivery Services Gross Plant Ratio.

*bb) Marketing & Sales**

Description - Provides marketing and sales services for the Operating Companies and affiliates for their electric and natural gas customers including strategic planning, segment identification, business analysis, sales planning and customer service.

Method of Allocation - Marketing & Sales indirect costs will be allocated based on the Revenue Ratio.

*cc) Customer Service**

Description - Provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center and credit and collections.

Method of Allocation - Customer Service indirect costs will be allocated based on the Customers Ratio. Indirect costs associated with administering low income and certified medical customer assistance programs will be allocated based on a composite of the average of the Special Needs Customer Contacts Ratio and Residential Customers Ratio.

*dd) Business Systems & Innovation**

Description - Provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration and systems management. In addition, Business Systems acts as a single point of contact for delivery of all technical services to Xcel Energy. They partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace.

Method of Allocation - Business Systems indirect costs will be allocated using any of the allocation ratios or combination of ratios.

*ee) Aviation Services**

Description - Provides aviation and travel services to employees.

Method of Allocation - Aviation Services will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Assets Ratio.
*ff) Fleet**

Description - Oversees the Operating Companies' Fleet Services Group.

Method of Allocation - Fleet will be direct charged.

*Corporate Governance activities within this Service Function will be allocated using the average of the Total Assets Ratio including Xcel Energy Inc.'s per book assets, Revenue Ratio with intercompany dividends assigned to Xcel Energy Inc., and Employee Ratio with number of common officers assigned to Xcel Energy Inc.

| Cost Categories | Allocation Method | Reasonableness of Allocation Method | 2026 Test Year Percentages | |
|---|---|---|---|---|
| | | | Electric | Gas |
| FERC Accounts 901-916 (excluding commodity bad debt in FERC 904) | Customer Allocator | Customer bill counts are a reasonable methodology to use to allocate common customer accounting and customer information and sales costs recorded in FERC accounts 901-916 because these costs are customer related costs, e.g., credit and collection, customer accounting, bad debt, etc. | 79.6619% | 20.3381% |
| FERC 904 (commodity bad debt portion) | Revenue Allocator | A revenue allocator is a reasonable methodology to allocate commodity bad debt because these costs have a cost- causative relationship to uncollectible utility revenues. | 84.7357% | 15.2643% |
| FERC Accounts 920-924 | Three-factor Allocator | A three-factor allocation is reasonable because there is no single allocator that could provide a cost-causative link. A three-factor allocator that measures three distinct aspects of the Company and results in an overall fair assignment of costs to the electric and gas utilities is used and is based on equally weighting operating revenue, plant in service and supervised O&M. | 92.6324% | 7.3676% |
| FERC Accounts 925-926 | Labor Allocator | A labor allocation is reasonable because the costs recorded in these accounts are injuries and damages and pension and benefit costs. These costs have a cost-causative relationship with labor. | 90.5416% | 9.4584% |
| FERC Accounts 928-935.3 | Three-factor Allocator | A three-factor allocation is reasonable because there is no single allocator that could provide a cost-causative link. A three-factor allocator that measures three distinct aspects of the Company and results in an overall fair assignment of costs to the electric and gas utilities is used and is based on equally weighting operating revenue, plant in service and supervised O&M. | 92.6324% | 7.3676% |

| | Test Year Budget 2026 | Total by Operating Co | Total for SPS and PSCo |
|---|---|---|---|
| **NSPM charges to NSPW** | | | |
| Productive Labor | $ 158,550 | | |
| Facilities Overheads | $ 28,949 | | |
| Labor Additives | $ 2,585 | | |
| Total Charges to NSPW | | $ 190,084 | |
| **NSPW charges to NSPM** | | | |
| Facilities Overheads | $ 22,608 | | |
| Labor Additives | $ 1,420 | | |
| Total Charges to NSPM | | $ 24,028 | |
| Charges from/to NSPW | | $ 214,112 | |
| **NSPM charges to PSCo** | | | |
| Facilities Overheads | $ 7,272 | | |
| Labor Additives | $ 652 | | |
| Total Charges to PSCo | | $ 7,924 | |
| **PSCo charges to NSPM** | | | |
| Facilities Overheads | $ 4,260 | | |
| Labor Additives | $ 47 | | |
| | | $ 4,307 | $ 12,231 |
| **NSPM charges to SPS** | | | |
| Facilities Overheads | $ 1,211 | | |
| Labor Additives | $ 108 | | |
| Total Charges to SPS | | $ 1,319 | |
| **SPS Charges to NSPM** | | | |
| Facilities Overheads | $ 1,711 | | |
| Labor Additives | $ 36 | | |
| | | $ 1,747 | $ 3,066 |
| Charges from/to Regulated Utility Operating Companies other than NSPW | | | $ 15,297 |

**Definitions:**
NSPM - Northern States Power Company-Minnesota
NSPW - Northern States Power Company-Wisconsin
PSCo - Public Service Company of Colorado
SPS - Southwestern Public Service

Fiscal Year Ended 12/31/2024

| | Consolidated Total NSPM | | All Other Non-regulated | | % of Total | |
|---|---|---|---|---|---|---|
| Operating revenues | $ 5,767,000 | (1)(2) | $ 15,000 | (1)(2) | 0.26% | |
| Less: Interest charges and financing costs | (337,000) | (1) | - | (1) | | |
| Income tax expense | 356,000 | (1) | (9,000) | (1)(2) | | |
| Net income | (793,000) | (1) | (28,000) | (1) | | |
| Subtotal | $ 4,993,000 | (3) | $ (22,000) | (3) | | |
| Add: Other expense, net | 11,000 | (2) | - | | | |
| Allowance for funds used during construction - equity | 53,000 | (2) | - | | | |
| Operating expenses | $ 5,057,000 | (2) | $ (22,000) | (3) | | |
| Less: Purchased cost of goods sold (COGS) | (2,287,000) | (3) | (4,000) | (2) | | |
| Operating expense, net of purchased COGS | $ 2,770,000 | (3) | $ (26,000) | (3) | -0.94% | (4) |
| | | | | | | |
| Calculation of Purchased Fuel, Power & Gas Expense (Purchased COGS) | | | | | | |
| Electric fuel and purchased power | $ 1,988,000 | (2) | | | | |
| Cost of natural gas sold and transported | 295,000 | (2) | | | | |
| Cost of sales - other | 4,000 | (2) | $ 4,000 | (2) | | |
| Purchased COGS | $ 2,287,000 | (3) | $ 4,000 | | | |
| | | | | | | |
| Calculation of Operating Expenses excluding Purchased COGS | | | | | | |
| Operating and maintenance expense | $ 1,271,000 | (2) | | | | |
| Conservation program expenses | 181,000 | (2) | | | | |
| Depreciation and amortization | 1,106,000 | (2) | | | | |
| Taxes (other than income taxes) | 212,000 | (2) | | | | |
| Workforce reduction expenses | - | (2) | | | | |
| Operating expense, net of purchased COGS | $ 2,770,000 | (3) | | | | |
| | | | | | | |
| Total Operating Expenses (excluding interest and income tax expenses) | $ 5,057,000 | (2) | | | | |

(1) From page 53 of Northern States Power Company's (NSPM) Form 10-K filed with the SEC for the fiscal year ended December 31, 2024. According to NSPM, the "All Other" column primarily includes appliance repair services, non-utility real estate activities, and revenues associated with processing solid waste into refuse-derived fuel.

(2) From page 27 of Northern States Power Company's (NSPM) Form 10-K filed with the SEC for the fiscal year ended December 31, 2024.

(3) Calculated number from above.

(4) Credit position (negative percentage) of Operating expense, net of purchased COGS was due to gain on a land sale in the first quarter of 2024

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

## FORM 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2024 or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _____ to _____**

**001-31387**
(Commission File Number)

## Northern States Power Company
(Exact name of registrant as specified in its charter)

| **Minnesota** | **41-1967505** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (IRS Employer Identification No.) |
| **414 Nicollet Mall Minneapolis Minnesota** | **55401** |
| (Address of Principal Executive Offices) | (Zip Code) |

**(612) 330-5500**
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| N/A | N/A | N/A |

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. ☐ Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of Feb. 27, 2025, 1,000,000 shares of common stock, par value $0.01 per share, were outstanding, all of which were held by Xcel Energy Inc., a Minnesota corporation.

**DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Item 14 of Form 10-K is set forth under the heading "Independent Registered Public Accounting Firm – Audit and Non-Audit Fees" in Xcel Energy Inc.'s definitive Proxy Statement for the 2025 Annual Meeting of Shareholders which definitive Proxy Statement is expected to be filed with the SEC on or about April 8, 2025. Such information set forth under such heading is incorporated herein by this reference hereto.

Northern States Power Company meets the conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format permitted by General Instruction I(2).

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This Form 10-K is filed by NSP-Minnesota. NSP-Minnesota is a wholly owned subsidiary of Xcel Energy Inc. Additional information on Xcel Energy is available in various filings with the SEC. This report should be read in its entirety.

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**PART I**

**Item I — Business**

### Definitions of Abbreviations

| *Xcel Energy Inc.'s Subsidiaries and Affiliates (current and former)* | |
|---|---|
| NSP-Minnesota | Northern States Power Company, a Minnesota corporation |
| NSP System | The electric production and transmission system of NSP-Minnesota and NSP-Wisconsin operated on an integrated basis and managed by NSP-Minnesota |
| NSP-Wisconsin | Northern States Power Company, a Wisconsin corporation |
| PSCo | Public Service Company of Colorado |
| SPS | Southwestern Public Service Company |
| Utility subsidiaries | NSP-Minnesota, NSP-Wisconsin, PSCo and SPS |
| Xcel Energy | Xcel Energy Inc. and its subsidiaries |

| *Federal and State Regulatory Agencies* | |
|---|---|
| DOC | Minnesota Department of Commerce |
| DOE | United States Department of Energy |
| DOT | United States Department of Transportation |
| EPA | United States Environmental Protection Agency |
| FERC | Federal Energy Regulatory Commission |
| IRS | Internal Revenue Service |
| MPUC | Minnesota Public Utilities Commission |
| NDPSC | North Dakota Public Service Commission |
| NERC | North American Electric Reliability Corporation |
| NRC | Nuclear Regulatory Commission |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |
| SDPUC | South Dakota Public Utility Commission |
| SEC | Securities and Exchange Commission |

| *Electric, Purchased Gas and Resource Adjustment Clauses* | |
|---|---|
| CIP | Conservation improvement program |
| DSM | Demand side management |
| RES | Renewable energy standard |

| *Other* | |
|---|---|
| AFUDC | Allowance for funds used during construction |
| ALJ | Administrative law judge |
| ARO | Asset retirement obligation |
| ASC | Financial Accounting Standards Board Accounting Standards Codification |
| ASU | Accounting standards update |
| C&I | Commercial and industrial |
| CapX2020 | Alliance of electric cooperatives, municipals and investor-owned utilities in the upper Midwest involved in a joint transmission line planning and construction effort |
| CCR | Coal combustion residuals |
| CCR Rule | Final rule (40 CFR 257.50 - 257.107) published by the EPA regulating the management, storage and disposal of CCRs as a nonhazardous waste |
| CEO | Chief executive officer |
| CERCLA | Comprehensive Environmental Response, Compensation, and Liability Act |
| CFO | Chief financial officer |
| CON | Certificate of need |
| $CO_2$ | Carbon dioxide |
| CWIP | Construction work in progress |
| EMANI | European Mutual Association for Nuclear Insurance |
| ETR | Effective tax rate |
| FTR | Financial transmission right |
| GAAP | Generally accepted accounting principles |
| GE | General Electric |
| GHG | Greenhouse gas |
| INPO | Institute of Nuclear Power Operations |
| IPP | Independent power producing entity |
| ISO | Independent system operator |
| ITC | Investment tax credit |
| MGP | Manufactured gas plant |
| MISO | Midcontinent Independent System Operator, Inc. |
| Native load | Customer demand of retail and wholesale customers that a utility has an obligation to serve under statute or long-term contract |
| NAV | Net asset value |
| NEIL | Nuclear Electric Insurance Ltd. |
| NOL | Net operating loss |
| O&M | Operating and maintenance |
| ONES | Operations, Nuclear, Environmental and Safety |
| PFAS | Per- and polyfluoroalkyl substances |
| Post-65 | Post-Medicare |
| PPA | Purchased power agreement |
| Pre-65 | Pre-Medicare |
| PTC | Production tax credit |
| RDF | Refuse-derived fuel |
| REC | Renewable energy credit |
| RFP | Request for proposal |
| ROE | Return on equity |
| ROU | Right-of-use |
| RTO | Regional transmission organization |
| S&P | Standard & Poor's Global Ratings |
| SERP | Supplemental executive retirement plan |
| TCJA | 2017 federal tax reform enacted as Public Law No: 115-97, commonly referred to as the Tax Cuts and Jobs Act |
| VaR | Value at risk |
| VIE | Variable interest entity |

| *Measurements* | |
|---|---|
| Bcf | Billion cubic feet |
| KV | Kilovolts |
| KWh | Kilowatt hours |
| MMBtu | Million British thermal units |
| MW | Megawatts |
| MWh | Megawatt hours |

### Where to Find More Information

NSP-Minnesota is a wholly owned subsidiary of Xcel Energy Inc., and Xcel Energy's website address is www.xcelenergy.com. Xcel Energy makes available through its website, free of charge, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after the reports are electronically filed with or furnished to the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically at http://www.sec.gov. The information on Xcel Energy's website is not a part of, or incorporated by reference in, this annual report on Form 10-K.

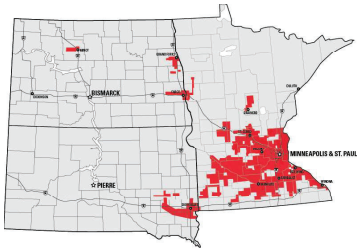
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## Forward-Looking Statements

Except for the historical statements contained in this report, the matters discussed herein are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including those relating to future sales, future expenses, future tax rates, future operating performance, estimated base capital expenditures and financing plans, projected capital additions and forecasted annual revenue requirements with respect to rider filings, expected rate increases to customers, expectations and intentions regarding regulatory proceedings, expected pension contributions and expected impact on our results of operations, financial condition and cash flows of interest rate changes, increased credit exposure and legal proceeding outcomes, as well as assumptions and other statements are intended to be identified in this document by the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "objective," "outlook," "plan," "project," "possible," "potential," "should," "will," "would" and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed elsewhere in this Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2024 (including risk factors listed from time to time by NSP-Minnesota in reports filed with the SEC, including "Risk Factors" in Item 1A of this Annual Report on Form 10-K), could cause actual results to differ materially from management expectations as suggested by such forward-looking information: operational safety, including our nuclear generation facilities and other utility operations; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee workforce and third-party contractor factors; violations of our Codes of Conduct; our ability to recover costs; changes in regulation; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including recessionary conditions, inflation rates, monetary fluctuations, supply chain constraints and their impact on capital expenditures and/or the ability of NSP-Minnesota to obtain financing on favorable terms; availability or cost of capital; our customers' and counterparties' ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; tax laws; uncertainty regarding epidemics; effects of geopolitical events, including war and acts of terrorism; cybersecurity threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather events; natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes; costs of potential regulatory penalties and wildfire damages in excess of liability insurance coverage; regulatory changes and/or limitations related to the use of natural gas as an energy source; challenging labor market conditions and our ability to attract and retain a qualified workforce; and our ability to execute on our strategies or achieve expectations related to environmental, social and governance matters including as a result of evolving legal, regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets.

## Company Overview

| | |
|---|---|
| Electric customers | 1.6 million |
| Natural gas customers | 0.6 million |
| Total assets | $27.5 billion |
| Rate Base (estimated) | $17.4 billion |
| GAAP ROE | 9.07% |
| Ongoing ROE | 9.46% |
| Electric generating capacity (owned) | 8,623 MW |
| Gas storage capacity | 16.9 Bcf |
| Electric transmission lines (conductor miles) | 34,000 miles |
| Electric distribution lines (conductor miles) | 87,000 miles |
| Natural gas transmission lines | 78 miles |
| Natural gas distribution lines | 11,000 miles |




NSP-Minnesota was incorporated in 2000 under the laws of Minnesota. NSP-Minnesota conducts business in Minnesota, North Dakota and South Dakota and has electric operations in all three states including the generation, purchase, transmission, distribution and sale of electricity. NSP-Minnesota and NSP-Wisconsin electric operations are managed on the NSP System. NSP-Minnesota also purchases, transports, distributes and sells natural gas to retail customers and transports customer-owned natural gas in Minnesota and North Dakota.

## Electric Operations

Electric operations consist of energy supply, generation, transmission and distribution activities. NSP-Minnesota had electric sales volume of 42,700 (millions of KWh), 1.6 million customers and electric revenues of $5,099 million for 2024.

| Electric Operations (percentage of total) | Sales Volume | Number of Customers | Revenues |
|---|---|---|---|
| Residential | 24 % | 89 % | 29 % |
| C&I | 51 | 10 | 43 |
| Other | 25 | 1 | 28 |

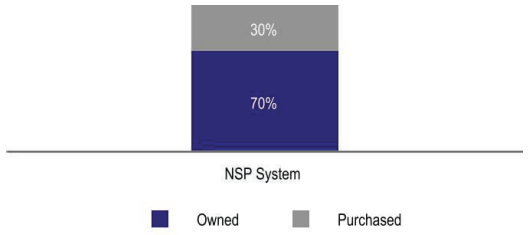
### *Retail Sales/Revenue Statistics* [(a)]

| | 2024 | 2023 |
|---|---|---|
| KWH sales per retail customer | 20,220 | 21,127 |
| Revenue per retail customer | $ 2,348 | $ 2,461 |
| Residential revenue per KWh | 14.62 ¢ | 14.28 ¢ |
| C&I revenue per KWh | 10.12 ¢ | 10.34 ¢ |
| Total retail revenue per KWh | 11.61 ¢ | 11.65 ¢ |

[(a)] See Note 6 to the consolidated financial statements for further information.

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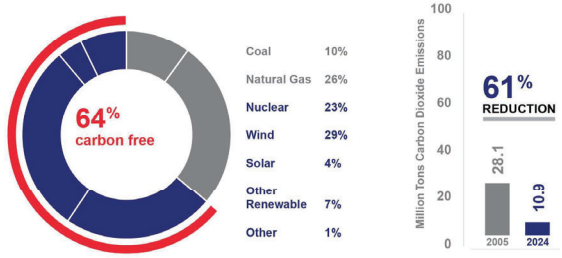
***Owned and Purchased Energy Generation — 2024***




**Electric Energy Sources - NSP System**

Total electric energy generation by source for the year ended Dec. 31:

**2024 Energy Mix – NSP System**




***Carbon–Free***

The NSP System's carbon–free energy portfolio includes nuclear, wind, hydroelectric, biomass and solar power from both owned generating facilities and PPAs. Carbon–free percentages will vary year over year based on system additions, commodity costs, weather, system demand and transmission constraints.

See Item 2 — Properties for further information.

*Wind*

Wind capacity is shown as net maximum capacity. Net maximum capacity is attainable only when wind conditions are sufficiently available.

*Owned* — Owned and operated wind farms with corresponding capacity:

| 2024 | | 2023 | |
|---|---|---|---|
| Wind Farms | Capacity (MW) | Wind Farms | Capacity (MW) |
| 17 | 2,445 | 17 | 2,444 |

*PPAs* — Number of PPAs with capacity range:

| 2024 | | 2023 | |
|---|---|---|---|
| PPAs | Range (MW) | PPAs | Range (MW) |
| 116 | 1 — 206 | 120 | 1 — 206 |

Current contracted wind capacity for PPAs was 2,061 MW and 2,066 MW in 2024 and 2023, respectively.

In 2024, the average cost of wind energy was $7 per MWh for owned generation and $32 per MWh under existing PPAs. In 2023, the average cost of wind energy was $7 per MWh for owned generation and $33 per MWh under existing PPAs. The cost of owned wind includes the impact of PTCs.

The NSP System currently has 350 MW of approved owned wind repowering projects under development, estimated to be completed in 2025.

Additionally, the NSP System anticipates 3,200 MW to be placed in service by 2030, as part of the recently approved Upper Midwest Resource Plan. The RFP process will start in 2025.

*Solar*

*Owned* — Owned and operated solar projects with corresponding capacity:

| 2024 | | 2023 | |
|---|---|---|---|
| Solar Projects [(a)] | Capacity (MW) | Solar Projects | Capacity (MW) |
| 1 | 223 | — | — |

(a) NSP-Minnesota placed in service Sherco Solar 1 in the fourth quarter of 2024. Average cost per MWh will be available after a full year of operations.

*PPAs* — Solar PPAs capacity by type:

| Type | Capacity (MW) |
|---|---|
| Distributed Generation | 1,461 |
| Utility-Scale | 349 |
| Total | 1,810 |

The average cost of solar energy under existing distributed and utility-scale generation PPAs was $100 per MWh and $90 per MWh in 2024 and 2023, respectively.

*Solar Development* — The NSP System currently has 500 MW of owned solar approved at the Sherco site, which are expected to be placed in service in 2025 and 2026. Additionally, various PPAs totaling approximately 105 MW are expected to be completed throughout 2025. Incremental to this amount is 400 MW anticipated as part of the Upper Midwest Resource Plan, to be placed in service by 2030.

*Nuclear*

The NSP System has two nuclear plants (owned by NSP-Minnesota) with approximately 1,700 MW of total 2024 net summer dependable capacity that safely and reliably generates carbon free electricity. NSP-Minnesota secures contracts for uranium concentrates, uranium conversion, uranium enrichment and fuel fabrication to operate its nuclear plants. NSP-Minnesota uses varying contract lengths as well as multiple producers for uranium concentrates, conversion services and enrichment services to minimize potential impacts caused by supply interruptions due to geographical and world political issues.

*Nuclear Fuel Cost* — Delivered cost per MMBtu of nuclear fuel consumed for owned electric generation and the percentage of total fuel requirements (nuclear, natural gas and coal):

| | Nuclear | |
|---|---|---|
| | Cost | Percent |
| 2024 | $ 0.83 | 43 % |
| 2023 | 0.76 | 50 |

*Other*

The NSP System's other carbon-free energy portfolio includes hydro from owned generating facilities.

The NSP System anticipates development of approximately 300 MW of storage capacity at the Sherco site, expected to be placed in service in 2027. Additionally, 600 MW of stand-alone storage are expected to be added as part of the Upper Midwest Resource Plan, to be placed in service by 2030.

See Item 2 — Properties for further information.

***Fossil Fuel***

The NSP System's fossil fuel energy portfolio includes coal and natural gas power from both owned generating facilities and PPAs.

See Item 2 — Properties for further information.

*Coal*

The NSP System owns and operates coal units with approximately 1,700 MW of total capacity, which provided 10% of NSP System's energy mix in 2024. All of these units are approved for retirement by 2030.

Approved early coal plant retirements:

| Year | Plant Unit | Capacity (MW) |
|---|---|---|
| 2026 | Sherco 1 | 680 |
| 2028 | A.S. King | 511 |
| 2030 | Sherco 3 | 517 [(a)] |

[(a)] Based on the NSP System's ownership interest.

*Coal Fuel Cost* — Delivered cost per MMBtu of coal consumed for owned electric generation and the percentage of total fuel requirements (nuclear, natural gas and coal):

| | Coal [(a)] | |
|---|---|---|
| | Cost | Percent |
| 2024 | $ 2.24 | 22 % |
| 2023 | 2.43 | 29 |

[(a)] Includes RDF and wood.

*Natural Gas*

The NSP System has seven natural gas plants with approximately 2,800 MW of total capacity, which provided 26% of NSP System's energy mix in 2024.

Natural gas supplies, transportation and storage services for power plants are procured to provide an adequate supply of fuel. Remaining requirements are procured through a liquid spot market. Generally, natural gas supply contracts have variable pricing that is tied to natural gas indices. Natural gas supply and transportation agreements include obligations for the purchase and/or delivery of specified volumes or payments in lieu of delivery.

*Natural Gas Cost* — Delivered cost per MMBtu of natural gas consumed for owned electric generation and the percentage of total fuel requirements (nuclear, natural gas and coal):

| | Natural Gas | |
|---|---|---|
| | Cost | Percent |
| 2024 | 1.94 | 35 % |
| 2023 | 3.91 | 21 |

The NSP System anticipates the development of 700 MW of company owned natural gas generation expected to be placed in service between 2025 - 2028.

**Capacity and Demand**

Uninterrupted system peak demand and occurrence date:

| 2024 | | 2023 | |
|---|---|---|---|
| MW | Date | MW | Date |
| 8,822 | Aug. 26 | 9,231 | Aug. 23 |

**Transmission**

Transmission lines deliver electricity over long distances from power sources to substations closer to customers. A strong transmission system ensures continued reliable and affordable service, ability to meet state and regional energy policy goals, and support for a diverse generation mix, including renewable energy. NSP-Minnesota owns more than 33,000 conductor miles of transmission lines across the NSP System service territory.

See Item 2 - Properties for further information.

**Distribution**

Distribution lines allow electricity to travel at lower voltages from substations directly to customers. NSP-Minnesota has a vast distribution network, owning and operating approximately 87,000 conductor miles of distribution lines across our service territory.

See Item 2 - Properties for further information.

## Natural Gas Operations

Natural gas operations consist of purchase, transportation and distribution of natural gas to end-use residential, C&I and transport customers. NSP-Minnesota had natural gas deliveries of 88,788 (thousands of MMBtu), 0.6 million customers and natural gas revenues of $653 million for 2024.

| Natural Gas (percentage of total) | Deliveries | Number of Customers | Revenues |
|---|---|---|---|
| Residential | 42 % | 92 % | 50 % |
| C&I | 44 | 8 | 34 |
| Transportation and other | 14 | <1 | 16 |

***Sales/Revenue Statistics*** [(a)]

| | 2024 | 2023 |
|---|---|---|
| MMBtu sales per retail customer | 136 | 150 |
| Revenue per retail customer | $ 985 | $ 1,233 |
| Residential revenue per MMBtu | 8.92 | 9.18 |
| C&I revenue per MMBtu | 5.64 | 7.32 |
| Transportation and other revenue per MMBtu | 2.42 | 1.49 |

[(a)] See Note 6 to the consolidated financial statements for further information.

**Capability and Demand**

Natural gas supply requirements are categorized as firm or interruptible.

Maximum daily output (firm and interruptible) and occurrence date:

| 2024 | | 2023 | |
|---|---|---|---|
| MMBtu | Date | MMBtu | Date |
| 841,164 | Jan. 19 | 753,642 | Feb. 3 |

**Natural Gas Supply and Cost**

NSP-Minnesota seeks natural gas supply, transportation and storage alternatives to yield a diversified portfolio, which increases flexibility and decreases interruption, financial risks and customer rates. In addition, NSP-Minnesota conducts natural gas price hedging activities approved by its states' commissions.

Average delivered cost per MMBtu of natural gas for regulated retail distribution:

| 2024 | 2023 |
|---|---|
| $ 3.97 | $ 5.31 |

NSP-Minnesota has natural gas supply transportation and storage agreements that include obligations for purchase and/or delivery of specified volumes or to make payments in lieu of delivery.

## General

### General Economic Conditions

Economic conditions may have a material impact on NSP-Minnesota's operating results. Management cannot predict the impact of fluctuating energy or commodity prices, pandemics, terrorist activity, war or the threat of war. We could experience a material impact to our results of operations, future growth or ability to raise capital resulting from a sustained general slowdown in economic growth or a significant increase in interest rates or inflation.

### Seasonality

Demand for electric power and natural gas is affected by seasonal differences in the weather. In general, peak sales of electricity occur in the summer months and peak sales of natural gas occur in the winter months. As a result, the overall operating results may fluctuate substantially on a seasonal basis. Additionally, NSP-Minnesota's operations have historically generated less revenues and income when weather conditions are warmer in the winter and cooler in the summer. Sales true-up and decoupling mechanisms mitigate the impacts of weather in certain jurisdictions.

### Competition

NSP-Minnesota is subject to public policies that promote competition and development of energy markets. NSP-Minnesota's industrial and large commercial customers have the ability to generate their own electricity. In addition, customers may have the option of substituting other fuels or relocating their facilities to a lower cost region.

Customers have the opportunity to supply their own power with distributed generation including solar generation and can currently avoid paying for most of the fixed production, transmission and distribution costs incurred to serve them in most jurisdictions.

Minnesota has incentives for the development of rooftop solar, community solar gardens and other distributed energy resources. Distributed generating resources are potential competitors to NSP-Minnesota's electric service business with these incentives and federal tax subsidies.

The FERC has continued to promote competitive wholesale markets through open access transmission and other means. NSP-Minnesota's wholesale customers can purchase energy from other generation resources and transmission services from other service providers to serve their native load.

FERC Order No. 1000 established competition for ownership of certain new electric transmission facilities under Federal regulations. Some states have state laws that allow the incumbent a Right of First Refusal to own these transmission facilities.

FERC Order 2222 requires that RTO and ISO markets allow participation of aggregations of distributed energy resources. This order is expected to incentivize distributed energy resource adoption; however implementation is expected to vary by RTO/ISO and the near, medium, and long-term impacts of Order 2222 remain unclear.

NSP-Minnesota has franchise agreements with cities subject to periodic renewal; however, a city could seek alternative means to access electric power or gas, such as municipalization. No municipalization activities are occurring presently.

While facing these challenges, NSP-Minnesota believes its rates and services are competitive with alternatives currently available.

## Governmental Regulations

### Public Utility Regulation

See Item 7 for discussion of public utility regulation.

### Environmental Regulation

Our facilities are regulated by federal and state agencies that have jurisdiction over air emissions, water quality, wastewater discharges, solid and hazardous wastes or substances. Certain NSP-Minnesota activities require registrations, permits, licenses, inspections and approvals from these agencies.

NSP-Minnesota has received necessary authorizations for the construction and continued operation of its generation, transmission and distribution systems. Our facilities strive to operate in compliance with applicable environmental standards and related monitoring and reporting requirements.

However, it is not possible to determine what additional facilities or modifications to existing or planned facilities will be required as a result of changes to regulations, interpretations or enforcement policies or what effect future laws or regulations may have. We may be required to incur expenditures in the future for remediation of historic and current operating sites and other waste treatment, storage and disposal sites.

There are significant environmental regulations to encourage use of clean energy technologies and regulate emissions of GHGs. NSP-Minnesota has undertaken numerous initiatives to meet current requirements and prepare for potential future regulations, reduce GHG emissions and respond to state renewable and energy efficiency goals. Future environmental regulations may result in substantial costs. However, costs to comply with past environmental regulations have largely been recoverable through rates.

### Emerging Environmental Regulation

#### *Clean Air Act*

*Power Plant Greenhouse Gas Regulations* — In April 2024, the EPA published final rules addressing control of $CO_2$ emissions from the power sector. The rules regulate new natural gas generating units and emission guidelines for existing coal and certain natural gas generation. The rules create subcategories of coal units based on planned retirement date and subcategories of natural gas combustion turbines and combined cycle units based on utilization. The $CO_2$ control requirements vary by subcategory. Based on current estimates and assumptions, NSP-Minnesota has determined that due to scheduled plant retirements, there is minimal financial or operational impact associated with these requirements and believes that the cost of these initiatives or replacement generation would be recoverable through rates based on prior state commission practices.

### Emerging Contaminants of Concern

PFAS are man-made chemicals that are widely used in consumer products and can persist and bio-accumulate in the environment. Xcel Energy does not manufacture PFAS, but because PFAS are so ubiquitous in products and the environment, it may impact our operations.

In June 2024, the EPA finalized a rule that designated certain PFAS as hazardous substances under CERCLA. In July 2024, the EPA finalized another rule that set enforceable drinking water standards for certain PFAS.

Potential costs for these rules and any additional proposed regulations related to PFAS are uncertain and will be determined on a site-specific basis where applicable. If costs are incurred, NSP - Minnesota believes the costs will be recoverable through rates based on prior state commission practices.

**Effluent Limitation Guidelines**

In April 2024, the EPA published final rules under the Clean Water Act, setting Effluent Limitations Guidelines and Standards for steam generating coal plants. This rule establishes more stringent wastewater discharge standards for bottom ash transport water, flue-gas desulfurization wastewater, and combustion residuals leachate from steam electric power plants, particularly coal-fired power plants. Based on current estimates and assumptions, NSP-Minnesota has determined that there is minimal financial or operational impact associated with these requirements and that any costs would be recoverable through rates based on prior state commission practices.

**Other**

Our operations are subject to workplace safety standards under the Federal Occupational Safety and Health Act of 1970 ("OSHA") and comparable state laws that regulate the protection of worker health and safety. In addition, the Company is subject to other government regulations impacting such matters as labor, competition, data privacy, etc. Based on information to date and because our policies and business practices are designed to comply with all applicable laws, we do not believe the effects of compliance on our operations, financial condition or cash flows are material.

## Employees

As of Dec. 31, 2024, NSP-Minnesota had 3,098 full-time employees and nine part-time employees, of which 2,103 were covered under collective-bargaining agreements.

## ITEM 1A — RISK FACTORS

Xcel Energy, which includes NSP-Minnesota, is subject to a variety of risks, many of which are beyond our control. Risks that may adversely affect the business, financial condition, results of operations or cash flows are described below. Although the risks are organized by heading, and each risk is described separately, many of the risks are interrelated. These risks should be carefully considered together with the other information set forth in this report and future reports that NSP-Minnesota files with the SEC.

While we believe we have identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our business, financial condition, results of operations or cash flows in the future.

**Oversight of Risk and Related Processes**

NSP-Minnesota's Board of Directors is responsible for the oversight of material risk and maintaining an effective risk monitoring process. Management and the Board of Directors have responsibility for overseeing the identification and mitigation of key risks.

NSP-Minnesota maintains a robust compliance program and promotes a culture of compliance beginning with the tone at the top. The risk mitigation process includes adherence to our Code of Conduct and compliance policies, operation of formal risk management structures and overall business management. NSP-Minnesota further mitigates inherent risks through formal risk committees and corporate functions such as internal audit, and internal controls over financial reporting and legal.

Management identifies and analyzes risks to determine materiality and other attributes such as timing, probability and controllability. Identification and risk analysis occurs formally through risk assessment conducted by senior management, the financial disclosure process, hazard risk procedures, internal audit and compliance with financial and operational controls. Management also identifies and analyzes risk through the business planning process, development of goals and establishment of key performance indicators, including identification of barriers to implementing our strategy. The business planning process also identifies likelihood and mitigating factors to prevent the assumption of inappropriate risk to meet goals.

Management communicates regularly with the Board of Directors and its sole stockholder regarding risk. Senior management presents and communicates a periodic risk assessment to the Board of Directors, providing information on the risks that management believes are material, including financial impact, timing, likelihood and mitigating factors. The Board of Directors regularly reviews management's key risk assessments, which includes areas of existing and future macroeconomic, financial, operational, policy, environmental, safety and security risks.

The oversight, management and mitigation of risk is an integral and continuous part of the Board of Directors' governance of NSP-Minnesota. Processes are in place to confirm appropriate risk oversight, as well as identification and consideration of new risks.

**Risks Associated with Our Business**

**Operational Risks**

***Our natural gas and electric generation/transmission and distribution operations involve numerous risks that may result in accidents and other operating risks and costs.***

Our natural gas transmission and distribution activities include inherent hazards and operating risks, such as leaks, explosions, outages and mechanical problems. Our electric generation, transmission and distribution activities include inherent hazards and operating risks such as contact, fire and outages. These risks could result in loss of life, significant property damage, environmental pollution, impairment of our operations and substantial financial losses to customers, the public, employees or third-party contractors. We maintain insurance against most, but not all, of these risks and losses. The occurrence of these events, if not fully covered by insurance, could have a material effect on our financial condition, results of operations and cash flows as well as potential reputational impact.

Other uncertainties and risks inherent in operating and maintaining NSP-Minnesota's facilities include, but are not limited to:

- Risks associated with facility start-up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned.
- Failures in the availability, acquisition or transportation of fuel or other supplies.
- Impact of adverse weather conditions and natural disasters, including, wildfires, tornadoes, avalanches, icing events, floods, high winds, droughts and the availability or changes to wind patterns.
- Performance below expected or contracted levels of output or efficiency.
- Availability of replacement or new equipment.
- Availability of adequate water resources and ability to satisfy water intake and discharge requirements.
- Inability to identify, manage properly or mitigate equipment defects.
- Use of new or unproven technology.
- Inability to use information effectively given the rapidly increasing volume of data.
- Risks associated with dependence on a specific type of fuel or fuel source, such as commodity price risk, availability of adequate fuel supply and transportation and lack of available alternative fuel sources.
- Increased competition due to, among other factors, new facilities, excess supply, shifting demand and regulatory changes.
- Increased costs due to aging infrastructure.

Additionally, compliance with existing and potential new regulations related to the operation and maintenance of our natural gas infrastructure could result in significant costs. The PHMSA is responsible for administering the DOT's national regulatory program to assure the safe transportation of natural gas, petroleum and other hazardous materials by pipelines. The PHMSA continues to develop regulations and other approaches to risk management to assure safety in design, construction, testing, operation, maintenance and emergency response of natural gas pipeline infrastructure. We have programs in place to comply with these regulations and systematically monitor and renew infrastructure over time; however, a significant incident or material finding of non-compliance could result in penalties and higher costs of operations.

Our natural gas and electric transmission and distribution operations are dependent upon complex information technology systems and network infrastructure, the failure of which could disrupt our normal business operations, which could have a material adverse effect on our ability to process transactions and provide services.

***Our utility operations are subject to long-term planning and project risks.***

Most utility investments are planned to be used for decades. Transmission and generation investments typically have long lead times and are planned well in advance of in-service dates and typically subject to long-term resource plans. These plans are based on numerous assumptions such as: sales growth, customer usage, commodity prices, economic activity, costs, regulatory mechanisms, customer behavior, available technology and public policy. Our long-term resource plan is dependent on our ability to obtain required approvals (including regulatory approval in jurisdictions where NSP-Minnesota operates), develop necessary technical expertise, allocate and coordinate sufficient resources and adhere to budgets and timelines.

In addition, the long-term nature of both our planning processes and our asset lives are subject to risk. The utility sector is undergoing significant change (e.g., increases in energy efficiency, wider adoption of distributed generation and shifts away from fossil fuel generation to renewable generation). Customer adoption of these technologies and increased energy efficiency could result in excess transmission and generation resources, downward pressure on sales growth, and potentially stranded costs if we are not able to fully recover costs and investments.

The magnitude and timing of resource additions and changes in customer demand may not coincide with evolving customer preference for generation resources and end-uses, which introduces further uncertainty into long-term planning. Efforts to electrify the transportation and building sectors to reduce GHG emissions may result in higher electric demand and lower natural gas demand over time. New data centers and crypto mining facilities could generate significant increase in demand. Higher electric demand may require us to adopt new technologies and make significant generation, transmission and distribution investments including advanced grid infrastructure, which increases exposure to overall grid instability and technology obsolescence. Evolving stakeholder preference for lower emissions from generation sources and end-uses, like heating, may impact our resource mix and put pressure on our ability to recover capital investments in natural gas generation and delivery. Multiple states may not agree as to the appropriate resource mix, which may lead to costs to comply with one jurisdiction that are not recoverable across all jurisdictions served by the same assets.

We require inputs such as coal, natural gas, uranium and water. Lack of availability of these resources could jeopardize long-term operations of our facilities or make them uneconomic to operate.

***Our utility operations are highly dependent on suppliers to deliver components in accordance with short and long-term project schedules.***

Our products contain components that are globally sourced from suppliers. A shortage of key components in which an alternative supplier is not identified could significantly impact operations and project plans for NSP-Minnesota and our customers. Such impacts could include timing of projects and the potential for project cancellation. Failure to adhere to project budgets and timelines could adversely impact our results of operations, financial condition or cash flows.

***We are subject to physical and financial risks associated with climate change and other weather, natural disaster and resource depletion impacts.***

Climate change can create physical and financial risk. Physical risks include changes in weather conditions and extreme weather events. Our customers' energy needs vary with weather. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease. Increased energy use due to weather changes over the long-term may require us to invest in generating assets, transmission and infrastructure. Decreased energy use due to weather changes may result in decreased revenues.

Severe weather impacts our service territories, primarily when thunderstorms, flooding, tornadoes, wildfires, snow, ice storms or extreme temperatures (high heating/cooling days) occur. Extreme weather conditions in general require system backup and can contribute to increased system stress, including service interruptions. Extreme weather conditions creating high energy demand may raise electricity prices, increasing the cost of energy we provide to our customers.

To the extent the frequency of extreme weather events increases, this could increase our cost of providing service and result in more frequent service interruptions. Periods of extreme temperatures could also impact our ability to meet demand.

Drought or water depletion could adversely impact our ability to provide electricity to customers, cause early retirement of power plants that require water or increase the cost for energy.

Adverse events may result in increased insurance costs and/or decreased insurance availability. We may not recover all costs related to mitigating these physical and financial risks.

***Our utilities have physical and financial risks associated with wildfires.***

In recent years, wildfires have impacted the utility industry. More frequent and severe drought conditions, extreme swings in amount and timing of precipitation, changes in vegetation, unseasonably warm temperatures, very low humidity, stronger winds and other factors have increased the duration of the wildfire season and the potential impact of an event. Also, the expansion of the wildland urban interface increases the wildfire risk to surrounding communities and NSP-Minnesota's electric and natural gas infrastructure. Wildfires could jeopardize NSP-Minnesota's electric and gas infrastructure and third-party property and result in temporary power outages or shortages in our service territories.

We have programs in place to mitigate the physical and financial risks associated with wildfires; however, NSP-Minnesota's wildfire mitigation initiatives may not be successful or effective in preventing or reducing wildfire-related losses. Wildfires can occur even when NSP-Minnesota follows its procedures and implements its wildfire mitigation initiatives.

Other potential risks associated with wildfires and other climate events include the inability to secure sufficient insurance coverage, increased costs of insurance, or ability for insurers to meet their obligations, regulatory recovery risk, and the potential for a credit downgrade and subsequent additional costs to access capital markets.

While we carry liability insurance, given an extreme event, if NSP-Minnesota was found to be liable for wildfire damages, amounts could potentially exceed our coverage and negatively impact our results of operations, financial condition or cash flows.

***We are subject to commodity risks and other risks associated with energy markets and energy production.***

A significant increase in fuel costs could cause a decline in customer demand, adverse regulatory outcomes and an increase in bad debt expense which may have a material impact on our results of operations. Despite existing fuel cost recovery mechanisms, higher fuel costs could significantly impact our results of operations if costs are not recovered. Delays in the timing of the collection of fuel cost recoveries could impact our cash flows and liquidity.

A significant disruption in supply could cause us to seek alternatives at potentially higher costs. Additionally, supply shortages may not be fully resolved, which negatively impacts our ability to provide services to our customers. Failure to provide service due to disruptions may also result in fines, penalties or cost disallowances through the regulatory process. Also, significantly higher energy or fuel costs relative to sales commitments negatively impacts our cash flows and results of operations.

We also engage in wholesale sales and purchases of electric capacity, energy and energy-related products as well as natural gas. In many markets, emission allowances and/or RECs are also needed to comply with various statutes and commission rulings. As a result, we are subject to market supply and commodity price risk.

Commodity price changes can affect the value of our commodity trading derivatives. We mark certain derivatives to estimated fair market value on a daily basis. Settlements can vary significantly from estimated fair values recorded and significant changes from the assumptions underlying our fair value estimates could cause earnings variability. The management of risks associated with hedging and trading is based, in part, on programs and procedures which utilize historical prices and trends.

Public perception often does not distinguish between pass through commodity costs and base rates. High commodity prices that are passed through to customer bills could impact our ability to recover costs for other improvements and operations.

Due to the uncertainty involved in price movements and potential deviation from historical pricing, NSP-Minnesota is unable to fully assure that its risk management programs and procedures would be effective to protect against all significant adverse market deviations. In addition, NSP-Minnesota cannot fully assure that its controls will be effective against all potential risks. If such programs and procedures are not effective, NSP-Minnesota's results of operations, financial condition or cash flows could be materially impacted.

***Failure to attract and retain a qualified workforce could have an adverse effect on operations.***

The competition for talent has become increasingly prevalent, and we have experienced increased employee turnover due to the condition of the labor market and decisions related to strategic workforce planning. In addition, specialized knowledge and skills are required for many of our positions, which may pose additional difficulty for us as we work to recruit, retain and motivate employees in this climate.

Failure to hire, adequately train replacement employees, transfer knowledge/expertise or future availability and cost of contract labor may adversely affect the ability to manage and operate our business. Inability to attract and retain these employees could adversely impact our results of operations, financial condition or cash flows.

Our businesses have collective bargaining agreements with labor unions. Failure to renew or renegotiate these contracts could lead to labor disruptions, including strikes or boycotts. Such disruptions or any negotiated wage or benefit increases could have a material adverse impact to our results of operations, financial condition or cash flows.

National unionization efforts could affect our business, as an increase in unionized workers could challenge our operational efficiency and increase costs.

***Our operations use third-party contractors in addition to employees to perform periodic and ongoing work.***

We rely on third-party contractors to perform operations, maintenance and construction work. Our contractual arrangements with these contractors typically include performance and safety standards, progress payments, insurance requirements and security for performance. Poor vendor performance or contractor unavailability could impact ongoing operations, restoration operations, regulatory recovery and our reputation and could introduce financial risk or risks of fines.

***Our employees, directors, third-party contractors, or suppliers may violate or be perceived to violate our Codes of Conduct, which could have an adverse effect on our reputation.***

We are exposed to risk of employee or third-party contractor fraud or misconduct. All employees and members of the Board of Directors are subject to compliance with our Code of Conduct and are required to participate in annual training. Additionally, suppliers are subject to compliance with our Supplier Code of Conduct. NSP-Minnesota does not tolerate discrimination, violations of our Code of Conduct or other unacceptable behaviors. However, it is not always possible to identify and deter misconduct by employees and other third-parties, which may result in governmental investigations, other actions or lawsuits. If such actions are taken against us, we may suffer loss of reputation and such actions could have a material effect on our financial condition, results of operations and cash flows.

***We are subject to the risks of nuclear generation.***

NSP-Minnesota has two nuclear generation plants, PI and Monticello. Risks of nuclear generation include:

- Hazards associated with the use of radioactive material in energy production, including management, handling, storage and disposal.
- Limitations on insurance available to cover losses that may arise in connection with nuclear operations, as well as obligations to contribute to an insurance pool in the event of damages at a covered U.S. reactor.
- Technological and financial uncertainties related to the costs of decommissioning nuclear plants may cause our funding obligations to change.

The NRC has authority to impose licensing and safety-related requirements for the operation of nuclear generation facilities, including the ability to impose fines and/or shut down a unit until compliance is achieved. NRC safety requirements could necessitate substantial capital expenditures or an increase in operating expenses. In addition, the INPO reviews our nuclear operations. Compliance with the INPO's recommendations could result in substantial capital expenditures or a substantial increase in operating expenses.

If a nuclear incident did occur, it could have a material impact on our results of operations, financial condition or cash flows. Furthermore, non-compliance or the occurrence of a serious incident at other nuclear facilities could result in increased industry regulation, which may increase our compliance costs.

***We share in the electric production and transmission costs of the NSP-Wisconsin system, which is integrated with our system. Accordingly, our costs may be increased due to increased costs associated with NSP-Wisconsin's system.***

Our electric production and transmission system is managed on an integrated basis with the electric production and transmission system of NSP-Wisconsin. Pursuant to the Interchange Agreement between NSP-Wisconsin and us, we share, on a proportional basis, all costs related to the generation and transmission facilities of the entire integrated NSP System, including capital costs. Accordingly, if the costs to operate the NSP System increase, or revenue decreases, whether as a result of state or federally mandated improvements or otherwise, our costs could also increase and our revenues could decrease and we cannot guarantee a full recovery of such costs through our rates at the time the costs are incurred.

***We are a wholly owned subsidiary of Xcel Energy Inc. Xcel Energy Inc. can exercise substantial control over our dividend policy and business and operations and may exercise that control in a manner that may be perceived to be adverse to our interests.***

All of the members of our Board of Directors, as well as many of our executive officers, are officers of Xcel Energy Inc. Our Board of Directors makes determinations with respect to a number of significant corporate events, including the payment of our dividends.

We have historically paid quarterly dividends to Xcel Energy Inc. If Xcel Energy Inc.'s cash requirements increase, our Board of Directors could decide to increase the dividends we pay to Xcel Energy Inc. to help support Xcel Energy Inc.'s cash needs. This could adversely affect our liquidity. The most restrictive dividend limitation for NSP-Minnesota is imposed by our state regulatory commissions. State regulatory commissions indirectly limit the amount of dividends NSP-Minnesota can pay to Xcel Energy Inc., by requiring a minimum equity-to-total capitalization ratio.

See Note 5 to the consolidated financial statements for further information.

**Financial Risks**

***Our profitability depends on our ability to recover costs, and changes in regulation may impair our ability to recover costs from our customers.***

We are subject to comprehensive regulation by federal and state utility regulatory agencies, including siting and construction of facilities, customer service and the rates that we can charge customers.

The profitability of our operations is dependent on our ability to recover the costs of providing energy and utility services and earn a return on capital investment. Our rates are generally regulated and are based on an analysis of our costs incurred in a test year. We are subject to both future and historical test years depending upon the regulatory jurisdiction. Thus, the rates we are allowed to charge may or may not match our costs at any given time. Rate regulation is premised on providing an opportunity to earn a reasonable rate of return on invested capital.

There can also be no assurance that our regulatory commissions will judge all our costs to be prudent, which could result in disallowances, or that the regulatory process will always result in rates that will produce full recovery.

Overall, management believes prudently incurred costs are recoverable given the existing regulatory framework. However, there may be changes in the regulatory environment that could impair our ability to recover costs historically collected from customers, or we could exceed caps on capital costs required by commissions and result in less than full recovery.

Changes in the long-term cost-effectiveness or to the operating conditions of our assets may result in early retirements of utility facilities. While regulation typically provides cost recovery for these types of changes, there is no assurance that regulators would allow full recovery of all remaining costs.

Higher than expected inflation, shortages of skilled labor, tariffs or federal policies may increase costs of construction and operations. Also, rising fuel costs could increase prices to consumers, all of which could increase the risk that we will not be able to fully recover their costs from our customers.

Adverse regulatory rulings (including changes in recovery mechanisms) or the imposition of additional regulations could negatively impact our results of operations, financial condition or cash flows.

***Any reductions in our credit ratings could increase our financing costs and the cost of maintaining certain contractual relationships.***

Our credit ratings are subject to change, and our credit ratings may be lowered or withdrawn by a rating agency. Significant events including disallowance of costs, use of historic test years, elimination of riders or interim rates, increasing depreciation lives, lower returns on equity, changes to equity ratios, impacts of tax policy and unfavorable litigation outcomes may impact our cash flows and credit metrics, potentially resulting in a change in our credit ratings. In addition, our credit ratings may change as a result of the differing methodologies or change in the methodologies used by the various rating agencies.

Any credit ratings downgrade could lead to higher borrowing costs or lower proceeds from equity issuances. It could also impact our ability to access capital markets. Also, we may enter into contracts that require posting of collateral or settlement if credit ratings fall below investment grade. The credit rating agencies may change their assessment or our regulatory or business risk, such as with the increase of climate events, which could negatively impact our credit ratings.

***We are subject to capital market and interest rate risks.***

Utility operations require significant capital investment. As a result, we frequently need to access capital markets. Any disruption in capital markets could have a material impact on our ability to fund our operations. Capital market disruption and financial market distress could prevent us from issuing commercial paper, issuing new securities or cause us to issue securities with unfavorable terms and conditions, such as higher interest rates or lower proceeds from equity issuances. Higher interest rates on short-term borrowings with variable interest rates could also have an adverse effect on our operating results.

The performance of capital markets impacts the value of assets held in trusts to satisfy future obligations to decommission our nuclear plants and satisfy our defined benefit pension and postretirement benefit plan obligations. These assets are subject to market fluctuations and yield uncertain returns, which may fall below expected returns. A decline in the market value of these assets may increase funding requirements. Additionally, the fair value of the debt securities held in the nuclear decommissioning and/or pension trusts may be impacted by changes in interest rates.

***We are subject to credit risks.***

Credit risk includes the risk that our customers will not pay their bills, which may lead to a reduction in our cash flows and liquidity and an increase in bad debt expense. Credit risk is comprised of numerous factors including the price of products and services provided, the overall economy and unemployment rates.

Credit risk also includes the risk that counterparties that owe us money or product will become insolvent and may breach their obligations. Should the counterparties fail to perform, we may be forced to enter into alternative arrangements. In that event, our financial results could be adversely affected, and we may incur losses. This could be particularly impactful for long-lead time equipment contracts that require significant deposits and milestone payments, for items that may be difficult to procure elsewhere in the event of non-performance.

We may have direct credit exposure in our short-term wholesale and commodity trading activity to financial institutions trading for their own accounts or issuing collateral support on behalf of other counterparties. We may also have some indirect credit exposure due to participation in organized markets, (e.g., MISO), in which any credit losses are socialized to all market participants.

We have additional indirect credit exposure to financial institutions from letters of credit provided as security by power suppliers under various purchased power contracts. If any of the credit ratings of the letter of credit issuers were to drop below investment grade, the supplier would need to replace that security with an acceptable substitute. If the security were not replaced, the party could be in default under the contract.

***As we are a subsidiary of Xcel Energy Inc., we may be negatively affected by events impacting the credit or liquidity of Xcel Energy Inc. and its affiliates.***

If either S&P or Moody's Investor Services were to downgrade Xcel Energy Inc.'s debt securities below investment grade, it would increase Xcel Energy Inc.'s cost of capital and restrict its access to the capital markets. This could limit Xcel Energy Inc.'s ability to contribute equity or make loans to us or may cause Xcel Energy Inc. to seek additional or accelerated funding from us in the form of dividends. If such event were to occur, we may need to seek alternative sources of funds to meet our cash needs.

As of Dec. 31, 2024, Xcel Energy Inc. and its utility subsidiaries had approximately $27.3 billion of long-term debt and $1.8 billion of short-term debt and current maturities. Xcel Energy Inc. provides various guarantees and bond indemnities supporting some of its subsidiaries by guaranteeing the payment or performance by these subsidiaries for specified agreements or transactions. Xcel Energy also has other contingent liabilities resulting from various tax disputes and other matters.

Xcel Energy Inc.'s exposure under the guarantees is based upon the net liability of the relevant subsidiary under the specified agreements or transactions. The majority of Xcel Energy Inc.'s guarantees limit its exposure to a maximum amount that is stated in the guarantees.

As of Dec. 31, 2024, Xcel Energy had the following guarantees outstanding:

- $951 million for performance and payment of Capital Services, LLC contracts for wind and solar generating equipment, with immaterial exposure.
- $29 million for performance on operating lease agreements, with $29 million of exposure.
- $93 million for performance and payment of surety bonds for the benefit of itself and its subsidiaries, with total exposure that cannot be estimated at this time.

If Xcel Energy Inc. were to become obligated to make payments under these guarantees and bond indemnities or become obligated to fund other contingent liabilities, it could limit Xcel Energy Inc.'s ability to contribute equity or make loans to us, or may cause Xcel Energy Inc. to seek additional or accelerated funding from us in the form of dividends. If such event were to occur, we may need to seek alternative sources of funds to meet our cash needs.

***Increasing costs of our defined benefit retirement plans and employee benefits may adversely affect our results of operations, financial condition or cash flows.***

We have defined benefit pension and postretirement plans that cover most of our employees. Assumptions related to future costs, return on investments, interest rates and other actuarial assumptions have a significant impact on our funding requirements of these plans. Estimates and assumptions may change. In addition, the Pension Protection Act sets the minimum funding requirements for defined benefit pension plans. Therefore, our funding requirements and contributions may change in the future.

Also, the payout of a significant percentage of pension plan liabilities in a single year, due to high numbers of retirements or employees leaving NSP-Minnesota, would trigger settlement accounting and could require NSP-Minnesota to recognize incremental pension expense related to unrecognized plan losses in the year liabilities are paid. Changes in industry standards utilized in key assumptions (e.g., mortality tables) could have a significant impact on future obligations and benefit costs.

***Increasing costs associated with health care plans may adversely affect our results of operations.***

Increasing levels of large individual health care claims and overall health care claims could have an adverse impact on our results of operations, financial condition or cash flows. Health care legislation could also significantly impact our benefit programs and costs.

***Federal tax law may significantly impact our business.***

NSP-Minnesota collects estimated federal, state and local tax payments through their regulated rates. Changes to federal tax law may benefit or adversely affect our earnings and customer costs. Tax depreciable lives and the value/availability of various tax credits or the timeliness of their utilization may impact the economics or selection of resources. If tax rates are increased, there could be timing delays before regulated rates provide for recovery of such tax increases in revenues. In addition, certain IRS tax policies such as tax normalization may impact our ability to economically deliver certain types of resources relative to market prices. Changes to the availability of tax credit transferability could impact our cash flows and the cost of certain types of resources.

**Macroeconomic Risks**

***Economic conditions impact our business.***

Our operations are affected by economic conditions, which correlates to customers/sales growth (decline). Economic conditions may be impacted by recessionary factors, rising interest rates, inflation, the impacts of federal policy and insufficient financial sector liquidity leading to potential increased unemployment, which may impact customers' ability to pay their bills which could lead to additional bad debt expense.

Additionally, NSP-Minnesota faces competitive factors, which could have an adverse impact on our financial condition, results of operations and cash flows. Further, worldwide economic activity impacts the demand for basic commodities necessary for utility infrastructure, which may inhibit our ability to acquire sufficient supplies. We operate in a capital-intensive industry and federal trade policy could significantly impact the cost of materials we use. There may be delays before these additional material costs can be recovered in rates.

The oil and gas industry represents our largest C&I customer base. Oil and natural gas prices are sensitive to market risk factors which may impact demand.

***We face risks related to health epidemics and other outbreaks, which may have a material effect on our financial condition, results of operations and cash flows.***

Health epidemics impact countries, communities, supply chains and markets. Uncertainty continues to exist regarding epidemics; the duration and magnitude of business restrictions including shutdowns (domestically and globally); the potential impact on the workforce including shortages of employees and third-party contractors due to quarantine policies, vaccination requirements or government restrictions; impacts on the transportation of goods, and the generalized impact on the economy.

We cannot ultimately predict whether an epidemic will have a material impact on our future liquidity, financial condition or results of operations. Nor can we predict the impact on the health of our employees, our supply chain or our ability to recover higher costs associated with managing an outbreak.

***Operations could be impacted by war, terrorism, or other events.***

Our generation plants, fuel storage facilities, transmission and distribution facilities and information and control systems may be targets of terrorist activities. Any disruption could impact operations or result in a decrease in revenues and additional costs to repair and insure our assets. These disruptions could have a material impact on our financial condition, results of operations or cash flows. The potential for terrorism has subjected our operations to increased risks and could have a material effect on our business. We have incurred increased costs for security and capital expenditures in response to these risks. The insurance industry has also been affected by these events and the availability of insurance may decrease. In addition, insurance may have higher deductibles, higher premiums and more restrictive policy terms.

A disruption of the regional electric transmission grid, interstate natural gas pipeline infrastructure or other fuel sources, could negatively impact our business, brand and reputation. Because our facilities are part of an interconnected system, we face the risk of possible loss of business due to a disruption caused by the actions of a neighboring utility.

We also face the risks of possible loss of business due to significant events such as severe storms, temperature extremes, wildfires, widespread pandemic, generator or transmission facility outage, pipeline rupture, railroad disruption, operator error, sudden and significant increase or decrease in wind generation or a workforce disruption.

In addition, major catastrophic events throughout the world may disrupt our business. While we have business continuity plans in place, our ability to recover may be prolonged due to the type and extent of the event. NSP-Minnesota participates in a global supply chain, which includes materials and components that are globally sourced. A prolonged disruption could result in the delay of equipment and materials that may impact our ability to connect, restore and reliably serve our customers.

A major disruption could result in a significant decrease in revenues, additional costs to repair assets, and an adverse impact on the cost and availability of insurance, which could have a material impact on our results of operations, financial condition or cash flows.

***A cybersecurity incident or security breach could have a material effect on our business.***

We operate in an industry that requires the continued operation of sophisticated information technology, control systems and network infrastructure. In addition, we use our systems and infrastructure to create, collect, use, disclose, store, dispose of and otherwise process sensitive information, including Company data, customer energy usage data, and personal information regarding customers, employees and their dependents, contractors and other individuals.

Our generation, transmission, distribution and fuel storage facilities, information technology systems and other infrastructure or physical assets, as well as information processed in our systems (e.g., information regarding our customers, employees, operations, infrastructure and assets) could be affected by cybersecurity incidents, including those caused by human error.

The utility industry has been the target of several attacks on operational systems and has seen an increased volume and sophistication of cybersecurity incidents from international activist organizations, other countries and individuals. We expect to continue to experience attempts to compromise our information technology and control systems, network infrastructure and other assets. To date, no cybersecurity incident or attack affecting us or our vendors has had a material impact on our business or results of operations.

Cybersecurity incidents could harm our businesses by limiting our generation, transmission and distribution capabilities, delaying our development and construction of new facilities or capital improvement projects to existing facilities, disrupting our customer operations or causing the release of customer information, all of which would likely receive state and federal regulatory scrutiny and could expose us to liability.

Our generation, transmission systems and natural gas pipelines are part of an interconnected system. Therefore, a disruption caused by the impact of a cybersecurity incident on the regional electric transmission grid, natural gas pipeline infrastructure or other fuel sources of our third-party service providers' operations, could also negatively impact our business.

Generative Artificial Intelligence, such as large language models like ChatGPT, present a range of challenges and potential risks as we consider impacts to the business. These challenges involve navigating the complexities of creating and deploying AI models that generate content autonomously. Data privacy, legal concerns, and security issues are all risks as this technology continues to be adopted.

Our supply chain for procurement of digital equipment and services may expose software or hardware to these risks and could result in a breach or significant costs of remediation. We are unable to quantify the potential impact of cybersecurity threats or subsequent related actions. Cybersecurity incidents and regulatory action could result in a material decrease in revenues and may cause significant additional costs (e.g., penalties, third-party claims, repairs, insurance or compliance) and potentially disrupt our supply and markets for natural gas, oil and other fuels.

We maintain security measures to protect our information technology and control systems, network infrastructure and other assets. However, these assets and the information they process may be vulnerable to cybersecurity incidents, including asset failure or unauthorized access to assets or information. A failure or breach of our technology systems or those of our third-party service providers could disrupt critical business functions and may negatively impact our business, our brand, and our reputation. The cybersecurity threat is dynamic and evolves continually, and our efforts to prioritize network protection may not be effective given the constant changes to threat vulnerability.

While the Company maintains insurance relating to cybersecurity events, such insurance is subject to a number of exclusions and may be insufficient to offset any losses, costs or damages experienced. Also, the market for cybersecurity insurance is relatively new and coverage available for cybersecurity events is evolving as the industry matures.

***Our operating results may fluctuate on a seasonal and quarterly basis and can be adversely affected by milder weather.***

Our electric and natural gas utility businesses are seasonal, and weather patterns can have a material impact on our operating performance. Demand for electricity is often greater in the summer and winter months associated with cooling and heating. Because natural gas is heavily used for residential and commercial heating, the demand depends heavily upon weather patterns. A significant amount of natural gas revenues are recognized in the first and fourth quarters related to the heating season. Accordingly, our operations have historically generated less revenues and income when weather conditions are milder in the winter and cooler in the summer. Unusually mild winters and summers could have an adverse effect on our financial condition, results of operations or cash flows.

**Public Policy Risks**

***Increased risks of regulatory penalties could negatively impact our business.***

The Energy Act increased civil penalty authority for violation of FERC statutes, rules and orders. FERC can impose penalties of up to $1.5 million per violation per day, particularly as it relates to energy trading activities for both electricity and natural gas. In addition, NERC electric reliability standards and critical infrastructure protection requirements are mandatory and subject to potential financial penalties. Also, the PHMSA, Occupational Safety and Health Administration and other federal agencies have the authority to assess penalties.

In the event of serious incidents, these agencies may pursue penalties. In addition, certain states have the authority to impose substantial penalties. If a serious reliability, cybersecurity or safety incident did occur, it could have a material effect on our results of operations, financial condition or cash flows.

***The continued use of natural gas for both power generation and gas distribution have increasingly become a public policy advocacy target. These efforts may result in a limitation of natural gas as an energy source for both power generation and heating, which could impact our ability to reliably and affordably serve our customers.***

In recent years, there have been various local and state agency proposals within and outside our service territories that would attempt to restrict the use and availability of natural gas. If such policies were to prevail, we may be forced to make new resource investment decisions which could potentially result in stranded costs if we are not able to fully recover costs and investments and impact the overall reliability of our service.

**Environmental Policy Risks**

***We may be subject to legislative and regulatory responses to climate change, with which compliance could be difficult and costly.***

Legislative and regulatory responses related to climate change may create financial risk as our facilities may be subject to additional regulation at either the state or federal level in the future. International agreements could additionally lead to future federal or state regulations.

In 2015, the United Nations Framework Convention on Climate Change reached consensus among 190 nations on an agreement (the Paris Agreement) that establishes a framework for GHG mitigation actions by all countries, with a goal of holding the increase in global average temperature to below 2º Celsius above pre-industrial levels and an aspiration to limit the increase to 1.5º Celsius. Although the United States has withdrawn from the Paris Agreement, many states and localities continue to pursue their own climate policies which could result in future additional GHG reductions.

The steps NSP-Minnesota has taken to date to reduce GHG emissions, including energy efficiency measures, adding renewable generation and retiring or converting coal plants to natural gas, occurred under state-endorsed resource plans, renewable energy standards and other state policies.

We may be subject to climate change lawsuits. An adverse outcome could require substantial capital expenditures and possibly require payment of substantial penalties or damages. Defense costs associated with such litigation can also be significant and could affect results of operations, financial condition or cash flows if such costs are not recovered through regulated rates.

If our regulators do not allow us to recover all or a part of the cost of capital investment or the O&M costs incurred to comply with the mandates, it could have a material effect on our results of operations, financial condition or cash flows.

***We are subject to environmental laws and regulations, with which compliance could be difficult and costly.***

We are subject to environmental laws and regulations that affect many aspects of our operations, including air emissions, water quality, wastewater discharges and the generation, transport and disposal of solid wastes and hazardous substances. Laws and regulations require us to obtain permits, licenses, and approvals and to comply with a variety of environmental requirements.

Environmental laws and regulations can also require us to restrict or limit the output of facilities or the use of certain fuels, shift generation to lower-emitting facilities, install pollution control equipment, clean up spills and other contamination and correct environmental hazards. Failure to meet requirements of environmental mandates may result in fines or penalties. We may be required to pay all or a portion of the cost to remediate sites where our past activities, or the activities of other parties, caused environmental contamination.

Changes in environmental policies and regulations or regulatory decisions may result in early retirements of our generation facilities. While regulation typically provides relief for these types of changes, there is no assurance that regulators would allow full recovery of all remaining costs.

We are subject to mandates to provide customers with clean energy, renewable energy and energy conservation offerings. It could have a material effect on our results of operations, financial condition or cash flows if our regulators do not allow us to recover the cost of capital investment or O&M costs incurred to comply with the requirements. Additionally, the impact of environmental laws and regulations may impact the economic health of consumers through higher prices of energy and purchased goods.

While we establish strategies and expectations related to climate change and other environmental matters, our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations, and reputation, and increase risk of litigation.

In addition, existing environmental laws or regulations may be revised and new laws or regulations may be adopted. We may also incur additional unanticipated obligations or liabilities under existing environmental laws and regulations.

## ITEM 1B — UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C — CYBERSECURITY

NSP-Minnesota is a wholly owned subsidiary of Xcel Energy. As such, its cybersecurity processes are maintained by Xcel Energy management and governed by its Board of Directors.

As described in Item 1A – Risk Factors, Xcel Energy operates in an industry that requires the continued operation of sophisticated information technology, control systems and network infrastructure, as such, our business is subject to the risk of interruption by cybersecurity incidents that range from attacks common to most industries, such as phishing and denial-of-service, to attacks from more sophisticated adversaries, including nation state actors, that target the critical infrastructure used in the operation of our business.

The Company has a security risk program in place to identify, assess, manage and report material risks from cybersecurity incidents. As a utility provider, Xcel Energy complies with reliability standards imposed by NERC, including critical infrastructure protection standards related to both cybersecurity and physical security. These standards imposed by NERC, in alignment with the NIST Cybersecurity Framework, are the basis for which Xcel Energy has designed the cybersecurity control framework within its security risk program.

Annually, as part of Xcel Energy's enterprise risk program, an integrated cybersecurity risk identification and assessment is completed across Xcel Energy's business, including generation, transmission, distribution and fuel storage facilities, information technology systems and other infrastructure or physical assets as well as information processed in our systems (including systems hosted by third parties) that could be affected by cybersecurity incidents. This analysis includes the impact, likelihood, timeframe and controllability of cybersecurity risks and is presented to the Board of Directors. Management monitors and reviews the results of this analysis, integrating them into the enterprise risk assessment processes and implements appropriate mitigating actions as needed.

Xcel Energy's cybersecurity policies, standards, practices, annual cybersecurity training content and readiness are regularly assessed by third-party consultants. These partners are engaged to perform independent penetration testing and other security related services to assist in the prevention, detection, monitoring, mitigation and remediation of cybersecurity incidents and risks. The results of these assessments are communicated to management and the Board of Directors by the Chief Security Officer.

Xcel Energy employs a comprehensive risk based approach to assess the magnitude and significance of a vendor's risk to the Company. Certain third-party service providers are subject to vendor security risk assessments at the time of integration, contract execution/renewal, and upon detection of any increase in risk profile. Xcel Energy uses a variety of inputs in such risk assessments, including information supplied by providers and third parties (including information analysis centers that share daily threat intelligence and improve organizational agility associated with management of cybersecurity risks). In addition, the Company requires certain third-party service providers to meet appropriate security requirements, controls and responsibilities. The Company deploys periodic monitoring activities to assess compliance with our cybersecurity control framework and investigates security incidents that have impacted our third-party service providers as appropriate.

Management has assigned responsibility for the security risk program to the Chief Security Officer who has multiple years of experience in the Defense Industrial Base. The Chief Security Officer is informed about and monitors prevention, detection, mitigation and remediation efforts through a team of security professionals, many of whom are Certified Information Systems Security Professionals, Certified Information Security Managers or have received other cybersecurity certifications. The team has extensive experience selecting, deploying and operating cybersecurity technologies, initiatives and processes that aid in preventing, remediating and mitigating known and unknown security threats.

The Chief Security Officer or members of management brief the Board on routine and regular cybersecurity risk and threat updates, typically on an annual basis. In the event of a significant threat or incident, management and the Chief Security Officer leverage Xcel Energy's incident response processes to assess impacts and resolve incidents. When a significant cybersecurity incident occurs, management communicates with the Board of Directors and relevant committees.

The Board of Directors oversees the risks associated with cybersecurity and the physical security of our assets, with information security matters being discussed at board meetings as well as at the ONES and Audit Committee meetings throughout the year.

While the ONES Committee has primary committee responsibility for cybersecurity due to the operational issues involved, the Board of Directors has determined that the topic is of sufficient importance to warrant this comprehensive oversight approach. Augmenting such oversight efforts, the enterprise has the ability to notify and update the Board of Directors in the event of a possible crisis situation.

Cybersecurity risks are a part of Xcel Energy's normal course of business. To date, no cybersecurity incident or attack affecting us or our vendors has had a material impact on our business or results of operations. As of Feb. 27, 2025 there have been no material cybersecurity incidents to report.

## ITEM 2 — PROPERTIES

Virtually all of the utility plant property of NSP-Minnesota is subject to the lien of its first mortgage bond indenture.

| Station, Location and Unit at Dec. 31, 2024 | Fuel | Installed | MW [a] |
|---|---|---|---|
| ***Steam:*** | | | |
| A.S. King-Bayport, MN, 1 Unit | Coal | 1968 | 511 |
| Sherco-Becker, MN | | | |
| Unit 1 | Coal | 1976 | 680 |
| Unit 3 | Coal | 1987 | 517 [b] |
| Monticello, MN, 1 Unit | Nuclear | 1971 | 617 |
| Prairie Island-Welch, MN | | | |
| Unit 1 | Nuclear | 1973 | 521 |
| Unit 2 | Nuclear | 1974 | 519 |
| Various locations, 4 Units | Wood/RDF | Various | 36 [c] |
| ***Combustion Turbine:*** | | | |
| Angus Anson-Sioux Falls, SD, 3 Units | Natural Gas | 1994 - 2005 | 343 |
| Black Dog-Burnsville, MN, 3 Units | Natural Gas | 1987 - 2018 | 491 |
| Blue Lake-Shakopee, MN, 6 Units | Natural Gas/Oil | 1974 - 2005 | 454 |
| High Bridge-St. Paul, MN, 3 Units | Natural Gas | 2008 | 530 |
| Inver Hills-Inver Grove Heights, MN, 8 Units | Natural Gas/ Oil | 1972 - 1996 | 276 |
| Riverside-Minneapolis, MN, 3 Units | Natural Gas | 2009 | 454 |
| ***Hydro:*** | | | |
| Hennepin Island-Minneapolis, MN 5 Units | Hydro | 1954-1955 | 6 |
| ***Wind:*** | | | |
| Blazing Star 1-Lincoln County, MN, 100 Units | Wind | 2020 | 200 [d] |
| Blazing Star 2-Lincoln County, MN, 100 Units | Wind | 2021 | 200 [d] |
| Border-Rolette County, ND, 75 Units | Wind | 2015 | 148 [d] |
| Community Wind North-Lincoln County, MN, 12 Units | Wind | 2020 | 26 [d] |
| Courtenay Wind-Stutsman County, ND, 100 Units | Wind | 2016 | 190 [d] |
| Crowned Ridge 2-Grant County, SD, 88 Units | Wind | 2020 | 192 [d] |
| Dakota Range, SD, 72 Units | Wind | 2022 | 298 [d] |
| Foxtail-Dickey County, ND, 75 Units | Wind | 2019 | 150 [d] |
| Freeborn-Freeborn County, MN, 100 Units | Wind | 2021 | 200 [d] |
| Grand Meadow-Mower County, MN, 67 Units | Wind | 2008 | 100 [d] |
| Jeffers-Cottonwood County, MN, 20 Units | Wind | 2020 | 43 [d] |
| Lake Benton-Pipestone County, MN, 44 Units | Wind | 2019 | 99 [d] |
| Mower-Mower County, MN, 43 Units | Wind | 2021 | 91 [d] |
| Nobles-Nobles County, MN, 133 Units | Wind | 2010 | 200 [d] |
| Northern Wind-Murray County, MN, 37 Units | Wind | 2023 | 92 [d] |
| Pleasant Valley-Mower County, MN, 100 Units | Wind | 2015 | 196 [d] |
| Rock Aetna-Murray County, MN, 8 Units | Wind | 2022 | 20 [d] |
| ***Solar:*** | | | |
| Sherco Solar 1-Becker, MN, 63 units | Solar | 2024 | 223 |
| | | Total | 8,623 |

(a) Summer 2024 net dependable capacity. Wind and solar is presented as net maximum capacity.
(b) Based on NSP-Minnesota's ownership of 59%.
(c) RDF is made from municipal solid waste.
(d) Net maximum capacity is attainable only when wind conditions are sufficiently available. Typical average capacity factors are 35-50% for wind facilities. For the year ended Dec. 31, 2024, NSP-Minnesota's wind facilities had a weighted-average capacity factor of 46%.

Electric utility overhead and underground transmission and distribution lines (measured in conductor miles) at Dec. 31, 2024:

| Conductor Miles | |
|---|---|
| **Transmission** | |
| 500 KV | 2,921 |
| 345 KV | 13,182 |
| 230 KV | 2,300 |
| 161 KV | 640 |
| 115 KV | 8,113 |
| Less than 115 KV | 6,627 |
| Total Transmission | 33,783 |
| **Distribution** | |
| Less than 115 KV | 86,549 |
| **Total** | 120,332 |

NSP-Minnesota had 354 electric utility transmission and distribution substations at Dec. 31, 2024.

Natural gas utility mains at Dec. 31, 2024:

| Miles | |
|---|---|
| Transmission | 78 |
| Distribution | 10,938 |

## ITEM 3 — LEGAL PROCEEDINGS

NSP-Minnesota is involved in various litigation matters in the ordinary course of business. The assessment of whether a loss is probable or is a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. Management maintains accruals for losses probable of being incurred and subject to reasonable estimation.

Management is sometimes unable to estimate an amount or range of a reasonably possible loss in certain situations, including but not limited to, when (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

For current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, would have a material effect on NSP-Minnesota's consolidated financial statements. Legal fees are generally expensed as incurred.

See Note 10 to the consolidated financial statements, Item 1 and Item 7 for further information.

## ITEM 4 — MINE SAFETY DISCLOSURES

None.

# PART II

## ITEM 5 — MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

NSP-Minnesota is a wholly owned subsidiary of Xcel Energy Inc. and there is no market for its common equity securities.

The dividends declared during 2024 and 2023 were as follows:

| (Millions of Dollars) | 2024 | 2023 |
|---|---|---|
| First quarter | $ 101 | $ 132 |
| Second quarter | 103 | 112 |
| Third quarter | 99 | 181 |
| Fourth quarter | 150 | 221 |

## ITEM 6 — [RESERVED]

## ITEM 7 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Discussion of financial condition and liquidity for NSP-Minnesota is omitted per conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K for wholly owned subsidiaries. It is replaced with management's narrative analysis of the results of operations set forth in General Instruction I(2)(a) of Form 10-K for wholly owned subsidiaries (reduced disclosure format).

### Non-GAAP Financial Measures

The following discussion includes financial information prepared in accordance with GAAP, as well as certain non-GAAP financial measures such as ongoing earnings. Generally, a non-GAAP financial measure is a measure of a company's financial performance, financial position or cash flows that is adjusted from measures calculated and presented in accordance with GAAP.

NSP-Minnesota's management uses non-GAAP measures for financial planning and analysis, for reporting of results to the Board of Directors, in determining performance-based compensation and communicating its earnings outlook to analysts and investors. Non-GAAP financial measures are intended to supplement investors' understanding of our performance and should not be considered alternatives for financial measures presented in accordance with GAAP. These measures are discussed in more detail below and may not be comparable to other companies' similarly titled non-GAAP financial measures.

#### *Earnings Adjusted for Certain Items (Ongoing Earnings)*

Ongoing earnings reflect adjustments to GAAP earnings (net income) for certain items.

We use this non-GAAP financial measure to evaluate and provide details of Xcel Energy's core earnings and underlying performance. For instance, to present ongoing earnings, we may adjust the related GAAP amounts for certain items that are non-recurring in nature. We believe this measurement is useful to investors to evaluate the actual and projected financial performance and contribution of our subsidiaries. This non-GAAP financial measure should not be considered as an alternative to measures calculated and reported in accordance with GAAP.

The following table provides a reconciliation of GAAP earnings (net income) to ongoing earnings:

| (Millions of Dollars) | 2024 | 2023 |
|---|---|---|
| GAAP net income | $ 793 | $ 707 |
| Workforce reduction expenses | — | 32 |
| Sherco Unit 3 2011 outage refunds | 47 | — |
| Less: tax effect of adjustments | (13) | (9) |
| Ongoing earnings | $ 827 | $ 730 |

*Sherco Unit 3 2011 Outage Refunds* — NSP-Minnesota's Sherco Unit 3 experienced an extended outage following a 2011 incident which damaged its turbine. In 2024, following contested case procedures, NSP-Minnesota recognized a customer refund of $47 million for replacement power incurred during the outage.

*Workforce Reduction* — In 2023, Xcel Energy implemented workforce actions to align resources and investments with our evolving business and customer needs, and streamline the organization for long-term success. Xcel Energy initiated a voluntary retirement program, under which approximately 400 eligible non-bargaining employees retired. Xcel Energy also eliminated approximately 150 non-bargaining employees through an involuntary severance program.

Total Xcel Energy workforce reduction expenses of $72 million were recorded in the fourth quarter of 2023, of which $32 million were attributable to NSP-Minnesota.

## Results of Operations

### 2024 Comparison with 2023

NSP-Minnesota's net income was approximately $793 million for 2024, compared with approximately $707 million for 2023. Ongoing net income was $827 million for 2024, compared to $730 million for 2023. Ongoing earnings increased due to higher recovery of electric and natural gas infrastructure investments, partially offset by increased depreciation and interest charges.

### Electric Revenue

Electric revenues are impacted by changing sales, fluctuations in the price of natural gas, coal and uranium, regulatory outcomes, market prices and seasonality. In addition, electric customers receive a credit for PTCs generated (wind, nuclear and solar), which reduce electric revenue and income taxes.

| (Millions of Dollars) | 2024 vs. 2023 |
|---|---|
| PTCs flowed back to customers (offset by lower ETR) | $ (277) |
| Recovery of lower electric fuel and purchased power expenses | (85) |
| 2011 Sherco 3 outage refunds [(a)] | (47) |
| Sales and demand [(b)] | (17) |
| Estimated impact of weather (net of sales true-up) | (7) |
| Regulatory rate outcomes | 197 |
| Non-fuel riders | 86 |
| Conservation and DSM (offset in expense) | 62 |
| Wholesale generation revenues | 12 |
| Other, net | (66) |
| Total decrease | $ (142) |

(a) See "Non-GAAP Financial Measures" section for additional information.
(b) Sales excludes weather impact, net of sales true-up mechanism in Minnesota.

### Natural Gas Revenues

Natural gas revenues vary with changing sales, the cost of natural gas and regulatory outcomes.

| (Millions of Dollars) | 2024 vs. 2023 |
|---|---|
| Recovery of lower natural gas costs | $ (173) |
| Regulatory rate outcomes | 55 |
| Infrastructure and integrity riders | 8 |
| Other, net | 9 |
| Total decrease | $ (101) |

***Electric Fuel and Purchased Power*** — Expenses incurred for electric fuel and purchased power are impacted by fluctuations in market prices of natural gas, coal and uranium, as well as seasonality. These incurred expenses are generally recovered through various regulatory recovery mechanisms. As a result, changes in these expenses are largely offset in operating revenues and have minimal earnings impact.

Electric fuel and purchased power expenses decreased $81 million in 2024. The decrease is primarily due to decreased volumes and timing of fuel recovery mechanisms, partially offset by increased wholesale activity.

***Cost of Natural Gas Sold and Transported*** — Expenses incurred for the cost of natural gas sold are impacted by market prices and seasonality. These costs are generally recovered through various regulatory recovery mechanisms. As a result, changes in these expenses are largely offset in operating revenues and have minimal earnings impact.

Natural gas sold and transported decreased $171 million in 2024. The decrease is primarily due lower commodity prices, timing of fuel recovery and decreased volume.

### Non-Fuel Operating Expenses and Other Items

***O&M Expenses*** — O&M expenses increased $27 million in 2024. The increase is primarily due to operational activities, including generation maintenance and storm response, partially offset by lower labor and benefit costs and lower bad debt expenses.

***Depreciation and Amortization*** — Depreciation and amortization expense increased $125 million in 2024.This is a result of system expansion partially offset by wind and nuclear life extensions implemented in 2023 in the Minnesota Electric Rate Case.

***Interest Charges*** — Interest charges increased $38 million in 2024, largely due to higher long-term debt levels and higher interest rates.

***Income Taxes*** — Income tax benefit increased $247 million in 2024, largely due to the addition of nuclear PTCs, newly available in 2024. PTCs are credited to customers (recorded as a reduction to revenue) and do not have a material impact on net income.

## Public Utility Regulation

The FERC and various state and local regulatory commissions regulate NSP-Minnesota. NSP-Minnesota is subject to rate regulation by state utility regulatory agencies, which have jurisdiction with respect to the rates of electric and natural gas distribution companies in Minnesota, North Dakota and South Dakota.

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Rates are designed to recover plant investment, operating costs and an allowed return on investment. NSP-Minnesota requests changes in utility rates through commission filings. Changes in operating costs can affect NSP-Minnesota's financial results, depending on the timing of rate cases and implementation of final rates. Other factors affecting rate filings are new investments, sales, conservation and DSM efforts, and the cost of capital.

In addition, the regulatory commissions authorize the ROE, capital structure and depreciation rates in rate proceedings. Decisions by these regulators can significantly impact NSP-Minnesota's results of operations and credit quality.

See Rate Matters and Other within Note 12 to the consolidated financial statements for further information.

***Summary of Regulatory Agencies / RTO and Areas of Jurisdiction***

| Regulatory Body / RTO | Additional Information |
|---|---|
| MPUC | Retail rates, services, security issuances, property transfers, mergers, disposition of assets, affiliate transactions, and other aspects of electric and natural gas operations.<br>Reviews and approves Integrated Resource Plans for meeting future energy needs.<br>Certifies the need and siting for generating plants greater than 50 MW and transmission lines greater than 100 KV in Minnesota.<br>Reviews and approves natural gas supply plans. |
| NDPSC | Retail rates, services and other aspects of electric and natural gas operations.<br>Reviews and approves Integrated Resource Plans for meeting future energy needs.<br>Regulatory authority over generation and transmission facilities, along with the siting and routing of new generation and transmission facilities in North Dakota.<br>Pipeline safety compliance. |
| SDPUC | Retail rates, services and other aspects of electric operations.<br>Regulatory authority over generation and transmission facilities, along with the siting and routing of new generation and transmission facilities in South Dakota.<br>Pipeline safety compliance. |
| FERC | Wholesale electric operations, hydroelectric licensing, accounting practices, wholesale sales for resale, transmission of electricity in interstate commerce, compliance with NERC electric reliability standards, asset transfers and mergers, and natural gas transactions in interstate commerce. |
| MISO | NSP-Minnesota is a transmission owning member of the MISO RTO and operates within the MISO RTO and wholesale markets. NSP-Minnesota makes wholesale sales in other RTO markets at market-based rates. NSP-Minnesota and NSP-Wisconsin also make wholesale electric sales at market-based prices to customers outside of their balancing authority as jointly authorized by the FERC. |
| DOT | Pipeline safety compliance. |
| Minnesota Office of Pipeline Safety | Pipeline safety compliance. |

***Recovery Mechanisms***

| Mechanism | Additional Information |
|---|---|
| CIP Rider | Recovers costs of conservation and DSM programs. Minnesota state law requires NSP-Minnesota to spend 2% of its state electric revenues and 0.5% of its state natural gas revenues on CIP. These costs are recovered through an annual cost-recovery mechanism. |
| Customer Protection Mechanisms | MISO capacity revenue tracker, property tax tracker, annual incentive plan, capital true-up, deferred tax asset refund and credit card fee tracker are all mechanisms that mitigate the impact of changes to costs as compared to a baseline for NSP-Minnesota customers. |
| Decoupling | Measures natural gas revenues against a baseline revenue per-customer for all Minnesota gas customers in classes with more than 50 customers. |
| FCA | Recovers prudently incurred costs of fuel related items and purchased energy (Minnesota, North Dakota and South Dakota). |
| Gas Utility Infrastructure Cost Rider | Recovers costs for transmission and distribution pipeline integrity management programs, including funding for pipeline assessments, deferred costs for sewer separation and pipeline integrity management programs in Minnesota. |
| Infrastructure Rider | Recovers costs for investments in generation in South Dakota. |
| Purchased Gas Adjustment | Provides for prospective monthly rate adjustments in Minnesota and North Dakota for costs of purchased natural gas, transportation and storage service. Includes a true-up process for difference between projected and actual costs. |
| Renewable Development Fund Rider | Allocates money collected from customers to support research and development of emerging renewable energy projects and technologies in Minnesota. |
| Renewable Energy Rider | Recovers cost of renewable generation in North Dakota. |
| RES Rider | Recovers cost of renewable generation in Minnesota. |
| Sales True-up | Mitigates the impact of changes to sales levels as compared to a baseline for all Minnesota electric customers. |
| State Energy Policy Electric Rider | Recovers costs associated with the Prairie Island Legislation settlement and the Reliability Administrator/ Sustainable Building Guidelines in Minnesota. |
| Transmission Cost Recovery Rider | Recovers costs for investments in Minnesota, North Dakota, and South Dakota for electric transmission and distribution grid modernization. |

***Pending and Recently Concluded Regulatory Proceedings***

*2024 Minnesota Natural Gas Rate Case* — In November 2023, NSP-Minnesota filed a request with the MPUC for a natural gas rate increase of approximately $59 million, or 9.6%.

In June 2024, NSP-Minnesota and various parties filed an uncontested settlement, which includes the following terms:

- Natural gas rate increase of $46 million, or 7.5%.
- ROE of 9.6%.
- Equity ratio of 52.5%.
- Rate base of $1.25 billion.
- No change to Commission approved decoupling.

In October 2024, an ALJ recommended the MPUC approve the rate case settlement. In February 2025, the MPUC verbally approved the settlement agreement. NSP-Minnesota expects to implement a rate increase of $50 million (trued up for 2024 weather normalized actual sales) in July 2025.

*2024 North Dakota Natural Gas Rate Case* — In December 2023, NSP-Minnesota filed a request with the NDPSC seeking an increase in natural gas rates of $8.5 million (9.4%), based on a ROE of 10.20%, an equity ratio of 52.5%, 2024 test year and rate base of $168 million.

In November 2024, the NDPSC approved a settlement, reflecting a natural gas rate increase of $7.2 million (8.0%), based on a ROE of 9.9% and an equity ratio of 52.5%. Rates were implemented on Jan. 1, 2025.

*2022 Minnesota Electric Rate Case* — In October 2021, NSP-Minnesota filed a three-year electric rate case with the MPUC.

In July 2023, the MPUC approved a three-year rate increase of approximately $332 million for 2022-2024, based on a ROE of 9.25% and an equity ratio of 52.5%. The MPUC also approved a continuation of the sales true-up mechanism.

In November 2023, NSP-Minnesota filed an appeal to the Minnesota Court of Appeals regarding MPUC decisions relating to executive compensation, insurance expense and treatment of prepaid pension assets.

In January 2025, the Court issued its opinion, which upheld the commission's determination on insurance expense, but reversed and remanded the executive compensation and prepaid pension asset decisions back to the MPUC. The opinion is currently pending further action from the MPUC.

*2024 Minnesota Electric Rate Case* — In November 2024, NSP-Minnesota filed an electric rate case in Minnesota, seeking a total revenue increase of $491 million (13.2%) over two years, based on an ROE of 10.3%, a 52.5% equity ratio and rate base of $13.2 billion in 2025 and $14 billion in 2026. NSP-Minnesota also requested interim rates of $224 million for 2025. In December 2024, the MPUC reduced the interim rate request for wildfire mitigation costs (as these costs were deemed as new costs not previously approved in a rate case) and approved interim rates of $192 million, effective January 1, 2025. A decision is expected in 2026.

*2024 North Dakota Electric Rate Case* — In December 2024, NSP-Minnesota filed a request with the NDPSC for an annual electric rate increase of approximately $45 million, or 19.3% over current rates established in 2021. The filing is based on a 2025 forecast test year and includes a requested ROE of 10.3%, rate base of approximately $817 million and an equity ratio of 52.5%. In January 2025, the NDPSC approved interim rates, subject to refund, of approximately $27 million (implemented on Feb. 1, 2025).

***Nuclear Power Operations***

Nuclear power plant operations produce gaseous, liquid and solid radioactive wastes, which are covered by federal regulation. High-level radioactive wastes primarily include used nuclear fuel. Low-level waste consists primarily of demineralizer resins, paper, protective clothing, rags, tools and equipment contaminated through use.

*NRC Regulation* — The NRC regulates nuclear operations. Costs of complying with NRC requirements can affect both operating expenses and capital investments of the plants. NSP-Minnesota has obtained recovery of these compliance costs and expects to recover future compliance costs.

Low-Level Waste Disposal — Low level waste from Monticello and Prairie Island is disposed of at the Clive facility located in Utah and the Waste Control Specialists facility in Texas. NSP-Minnesota has storage capacity available on-site through 2033 at Prairie Island Unit 1, 2034 at Prairie Island Unit 2, and 2040 at Monticello, which would allow both plants to continue to operate if off-site low-level waste disposal facilities become unavailable.

*High-Level Radioactive Waste Disposal* — The federal government has responsibility to permanently dispose of domestic spent nuclear fuel and other high-level radioactive wastes. The Nuclear Waste Policy Act requires the DOE to implement a program for nuclear high-level waste management. This includes the siting, licensing, construction and operation of a repository for spent nuclear fuel from civilian nuclear power reactors and other high-level radioactive wastes at a permanent federal storage or disposal facility. Currently, there are no definitive plans for a permanent federal storage facility site.

*Nuclear Spent Fuel Storage* — NSP-Minnesota has interim on-site storage for spent nuclear fuel at its Monticello and Prairie Island nuclear generating plants. Authorized storage capacity is sufficient to allow NSP-Minnesota to operate until 2040 for Monticello, 2033 for Prairie Island Unit 1, and 2034 for Prairie Island Unit 2.

In December 2024, the NRC approved a Subsequent License Renewal application for extended Monticello Plant operation through 2050 (Subsequent Renewed Facility Operating License No. DPR-22, Accession No. ML24310A345). NSP-Minnesota will need authorization from the MPUC for additional storage capacity through 2050.

In February 2024, NSP-Minnesota filed a CON with the MPUC for additional storage at Prairie Island to support possible life extension to 2054. NSP-Minnesota has notified the NRC of intent to apply for Prairie Island SLR which would extend operation of Unit 1 to 2053 and Unit 2 to 2054.

Authorizations for additional spent fuel storage capacity may be required at each site to support either continued operation or decommissioning if the federal government does not commence storage operations.

**NSP System**

***Pending and Recently Concluded Regulatory Proceedings***

*Resource Acquisition* — In February 2024, NSP filed its Upper Midwest Resource Plan with the MPUC. In October 2024, NSP-Minnesota filed a settlement with several parties reaching agreement on the resource plan, as well as the proposed projects to be approved in the pending 800 MW firm dispatchable resource acquisition.

In February 2025, the MPUC verbally approved the terms of the settlement agreement, including:

- The selection of the company owned 420 MW Lyon County combustion turbine.
- The selection of the company owned 300 MW 4-hour Sherco battery energy storage system.
- Multiple PPAs to proceed to the negotiation stage.
- The addition of 3,200 MW of wind, 400 MW of solar and 600 MW of stand-alone storage to be added through 2030 based on an RFP process (a portion of which is expected to be fulfilled with the resources acquired as part of the 2024 RFPs). Of these amounts, approximately 2,800 MW of wind are projected to utilize the Minnesota Energy Connection transmission line.
- Planned life extensions of the Prairie Island and Monticello nuclear plants through the early 2050s.

Additionally, the MPUC approved life extensions of the Red Wing and Mankato RDF plants to 2037 and ordered NSP-Minnesota to file a proposed tariff for customers with super-large load, largely data centers, by July 15, 2025.

NSP-Minnesota will file additional RFPs for approved resource needs beginning in late 2025 or early 2026.

NSP-Minnesota and NSP-Wisconsin are actively engaged in multiple processes and proceedings to acquire resources to meet their identified generation resource needs.

- In October 2023, NSP-Minnesota issued an RFP seeking 1,200 MW of wind assets to replace capacity and reutilize interconnection rights associated with the retiring Sherco coal facilities. The RFP closed in December 2023. NSP-Minnesota expects to file for approval of recommended projects in summer 2025.
- In 2024, NSP-Minnesota and NSP-Wisconsin each issued an RFP collectively seeking up to 1,600 MW of wind, solar, storage or hybrid resources to interconnect to the NSP System, including reutilization of the interconnection rights associated with the retiring Sherco coal units, and 650 MW of solar and storage resources to specifically reutilize the interconnection rights associated with the retiring King coal unit. Bids are currently under evaluation; NSP-Minnesota and NSP-Wisconsin announced the short listed projects in January 2025 and plan to file for the requisite approvals of the selected resources with the MPUC and PSCW, respectively, in the second half of 2025.

***Purchased Power and Transmission Services***

The NSP System expects to use power plants, power purchases, conservation and DSM options, new generation facilities and expansion of power plants to meet its system capacity requirements.

*Purchased Power* — Through the Interchange Agreement, NSP-Wisconsin receives power purchased by NSP-Minnesota from other utilities and independent power producers. Long-term purchased power contracts for dispatchable resources typically require a capacity charge and an energy charge. NSP-Minnesota makes short-term purchases to meet system requirements, replace company owned generation, meet operating reserve obligations or obtain energy at a lower cost.

*Purchased Transmission Services* — NSP-Minnesota and NSP-Wisconsin have contracts with MISO and other regional transmission service providers to deliver power and energy to their customers.

***Wholesale and Commodity Marketing Operations***

NSP-Minnesota conducts wholesale marketing operations, including the purchase and sale of electric capacity, energy, ancillary services and energy-related products. NSP-Minnesota uses physical and financial instruments to minimize commodity price risk and to hedge sales and purchases.

NSP-Minnesota also engages in trading activity unrelated to these hedging activities. Sharing of any margins is determined through state regulatory proceedings as well as the operation of the FERC approved joint operating agreement. NSP-Minnesota and NSP-Wisconsin do not serve any wholesale requirements customers at cost-based regulated rates.

**Other**

**Supply Chain**

NSP-Minnesota's ability to meet customer energy requirements, growing customer demand, respond to storm-related disruptions, and execute our capital expenditure program are dependent on maintaining an efficient supply chain.

Large global demand for energy-related infrastructure has stretched equipment supply chains, extended delivery dates and increased prices for items like combustion turbines, transformers and other large electrical equipment. The labor market for skilled engineering and construction resources to build renewables and gas generation has also been strained, impacting cost and availability.

In addition, manufacturing processes have experienced disruptions related to the scarcity of certain raw materials and interruptions in production and shipping. The impact of inflationary pressures, geopolitical events and federal policies have exacerbated the situation. NSP-Minnesota continues to monitor the situation as it remains fluid and seeks to mitigate the impacts by securing alternative suppliers and key vendor partners, increasing procurement lead times, modifying design standards, and adjusting the timing of work.

*Tariffs and Trade Complaints*

In May 2024, the U.S. Department of Commerce announced the initiation of anti-dumping and countervailing duty investigations of CSPV cells from Cambodia, Malaysia, Thailand and Vietnam, whether or not assembled into modules.

In October 2024, the U.S. Department of Commerce announced its preliminary determination in the countervailing duty circumvention investigation, which is not expected to impact NSP-Minnesota projects. In November 2024, the U.S. Department of Commerce concluded that dumping had occurred and the impact to NSP-Minnesota is still being evaluated.

In May 2024, the White House imposed a new 25% tariff on Lithium-Ion storage along with other trade measures. The tariff went into immediate effect for EV batteries but has a grace period until January 2026 for stationary energy storage applications.

In January of 2025, the U.S. International Trade Commission made an affirmative determination in the preliminary phase of the anti-dumping and countervailing duty investigations concerning Active Anode Material, a component of lithium-ion batteries, from China. This case will be reviewed by the U.S. Department of Commerce and the International Trade Commission over the course of 2025.

In early 2025, several executive orders were issued, some of which impose new tariffs on certain imports, which may impact our procurement activities.

NSP-Minnesota continues to assess the impacts of these tariffs, trade complaints and federal policies on its business, including company owned projects and PPAs. NSP-Minnesota may seek regulatory relief for tariffs, if required, in its jurisdictions.

Further policy actions or other restrictions on solar and storage imports, disruptions in imports from key suppliers, or any new trade complaint could impact project timelines and costs of various generation projects and PPAs.

## ITEM 7A — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Derivatives, Risk Management and Market Risk**

NSP-Minnesota is exposed to a variety of market risks in the normal course of business. Market risk is the potential loss that may occur as a result of adverse changes in the market or fair value for a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk.

NSP-Minnesota is exposed to the impact of adverse changes in price for energy and energy-related products, which is partially mitigated by the use of commodity derivatives. In addition to ongoing monitoring and maintaining credit policies intended to minimize overall credit risk, management takes steps to mitigate changes in credit and concentration risks associated with its derivatives and other contracts, including parental guarantees and requests of collateral. While NSP-Minnesota expects that the counterparties will perform on the contracts underlying its derivatives, the contracts expose NSP-Minnesota to credit and non-performance risk.

Distress in the financial markets may impact counterparty risk and the fair value of the securities in the nuclear decommissioning fund and pension fund.

***Commodity Price Risk*** — We are exposed to commodity price risk in our electric and natural gas operations. Commodity price risk is managed by entering into long and short-term physical purchase and sales contracts for electric capacity, energy and energy-related products and fuels used in generation and distribution activities.

Commodity price risk is also managed through the use of financial derivative instruments. Our risk management policy allows us to manage commodity price risk within each rate-regulated operation per commission approved hedge plans.

***Wholesale and Commodity Trading Risk*** — NSP-Minnesota conducts various wholesale and commodity trading activities, including the purchase and sale of electric capacity, energy, energy-related instruments and natural gas-related instruments, including derivatives. NSP-Minnesota's risk management policy allows management to conduct these activities within guidelines and limitations as approved by its risk management committee.

Fair value of net commodity trading contracts as of Dec. 31, 2024:

| | Futures/ Forwards Maturity | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Less Than 1 Year | 1 to 3 Years | 4 to 5 Years | Greater Than 5 Years | Total Fair Value |
| NSP-Minnesota [a] | $ (16) | $ (19) | $ (4) | $ — | $ (39) |
| NSP-Minnesota [b] | 3 | 10 | (4) | 2 | 11 |
| | $ (13) | $ (9) | $ (8) | $ 2 | $ (28) |

| | Options Maturity | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Less Than 1 Year | 1 to 3 Years | 4 to 5 Years | Greater Than 5 Years | Total Fair Value |
| NSP-Minnesota [b] | $ — | $ — | $ 20 | $ — | $ 20 |

[a] Prices actively quoted or based on actively quoted prices.
[b] Prices based on models and other valuation methods.

Changes in the fair value of commodity trading contracts before the impacts of margin-sharing for the years ended Dec. 31:

| (Millions of Dollars) | 2024 | 2023 |
|---|---|---|
| Fair value of commodity trading net contracts outstanding at Jan. 1 | $ (4) | $ (10) |
| Contracts realized or settled during the period | 8 | 10 |
| Commodity trading contract additions and changes during the period | (12) | (4) |
| Fair value of commodity trading net contracts outstanding at Dec. 31 | $ (8) | $ (4) |

A 10% increase and 10% decrease in forward market prices for NSP-Minnesota's commodity trading contracts would have likewise increased and decreased pretax income from continuing operations, by approximately $1 million at both Dec. 31, 2024 and Dec. 31, 2023. Market price movements can exceed 10% under abnormal circumstances.

Xcel Energy's commodity trading operations measure the outstanding risk exposure to price changes on contracts and obligations using an industry standard methodology known as VaR. VaR expresses the potential change in fair value of the outstanding contracts and obligations over a particular period of time under normal market conditions.

The VaRs for the NSP-Minnesota and PSCo commodity trading operations, excluding both non-derivative transactions and derivative transactions designated as normal purchases and normal sales, calculated on a consolidated basis using a Monte Carlo simulation with a 95% confidence level and a one-day holding period, were as follows:

| (Millions of Dollars) | Year Ended Dec. 31 | Average | High | Low |
|---|---|---|---|---|
| 2024 | $ — | $ — | $ 1 | $ — |
| 2023 | — | — | 1 | — |

***Nuclear Fuel Supply*** — NSP-Minnesota has contracted for its 2025 through 2029 enriched nuclear material requirements, which are in various stages of processing in Canada, Europe and the United States. In May 2024, the Prohibiting Russian Uranium Imports Act was signed into law. As such, NSP-Minnesota is no longer permitted to accept deliveries of enriched nuclear material from Russia beginning in August 2024, unless specific waivers are requested and received.

***Interest Rate Risk*** — NSP-Minnesota is subject to interest rate risk. NSP-Minnesota's risk management policy allows interest rate risk to be managed through the use of fixed rate debt, floating rate debt and interest rate derivatives.

A 100-basis-point change in the benchmark rate on NSP-Minnesota's variable rate debt would impact pretax interest expense annually by approximately $2 million each in 2024 and 2023.

NSP-Minnesota maintains a nuclear decommissioning fund, as required by the NRC. The nuclear decommissioning fund is subject to interest rate and equity price risk. The fund is invested in a diversified portfolio of cash equivalents, debt securities, equity securities and other investments. These investments may be used only for the purpose of decommissioning NSP-Minnesota's nuclear generating plants.

Fluctuations in equity prices or interest rates affecting the nuclear decommissioning fund do not have a direct impact on earnings due to the application of regulatory accounting. Realized and unrealized gains on the decommissioning fund investments are deferred as an offset of NSP-Minnesota's regulatory asset for nuclear decommissioning costs.

The value of pension and postretirement plan assets and benefit costs are impacted by changes in discount rates and expected return on plan assets. NSP-Minnesota's ongoing pension and postretirement investment strategy is based on plan-specific investment recommendations that seek to optimize potential investment risk and minimize interest rate risk associated with changes in the obligations as a plan's funded status increases over time. The impacts of fluctuations in interest rates on pension and postretirement costs are mitigated by pension cost calculation methodologies and regulatory mechanisms that minimize the earnings impacts of such changes.

***Credit Risk*** — NSP-Minnesota is also exposed to credit risk. Credit risk relates to the risk of loss resulting from counterparties' nonperformance on their contractual obligations. NSP-Minnesota maintains credit policies intended to minimize overall credit risk and actively monitors these policies to reflect changes and scope of operations.

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At Dec. 31, 2024, a 10% increase in commodity prices would have resulted in an increase in credit exposure of $20 million, while a decrease in prices of 10% would have resulted in a decrease in credit exposure of $20 million. At Dec. 31, 2023, a 10% increase in commodity prices would have resulted in an increase in credit exposure of $22 million, while a decrease in prices of 10% would have resulted in a decrease in credit exposure of $22 million.

NSP-Minnesota conducts credit reviews for all wholesale, trading and non-trading commodity counterparties and employs credit risk controls, such as letters of credit, parental guarantees, master netting agreements and termination provisions. Credit exposure is monitored and, when necessary, the activity with a specific counterparty is limited until credit enhancement is provided. Distress in the financial markets could increase NSP-Minnesota's credit risk.

**Fair Value Measurements**

Derivative contracts, with the exception of those designated as normal purchases and normal sales, are reported at fair value. NSP-Minnesota's investments held in the nuclear decommissioning fund, rabbi trusts, pension and other postretirement funds are also subject to fair value accounting. See Notes 8 and 9 to the consolidated financial statements for further information.

## ITEM 8 — FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15-1 for an index of financial statements included herein.

See Note 14 to the consolidated financial statements for further information.

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**Management Report on Internal Control Over Financial Reporting**

The management of NSP-Minnesota is responsible for establishing and maintaining adequate internal control over financial reporting. NSP-Minnesota's internal control system was designed to provide reasonable assurance to Xcel Energy Inc.'s and NSP-Minnesota's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

NSP-Minnesota management assessed the effectiveness of NSP-Minnesota's internal control over financial reporting as of Dec. 31, 2024. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (2013).* Based on our assessment, we believe that, as of Dec. 31, 2024, NSP-Minnesota's internal control over financial reporting is effective at the reasonable assurance level based on those criteria.

| /s/ ROBERT C. FRENZEL | /s/ BRIAN J. VAN ABEL |
|---|---|
| Robert C. Frenzel | Brian J. Van Abel |
| Chairman, Chief Executive Officer and Director | Executive Vice President, Chief Financial Officer and Director |
| Feb. 27, 2025 | Feb. 27, 2025 |

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholder and the Board of Directors of Northern States Power Company, a Minnesota corporation

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Northern States Power Company, a Minnesota corporation, and subsidiaries (the "Company"), as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***Regulatory Assets and Liabilities - Impact of Rate Regulation on the Financial Statements — Refer to Notes 4 and 10 to the consolidated financial statements.***

*Critical Audit Matter Description*

The Company is subject to rate regulation by state utility regulatory agencies, which have jurisdiction with respect to the rates of electric distribution companies in Minnesota, North Dakota and South Dakota, and natural gas distribution companies in Minnesota and North Dakota. The Company is also subject to the jurisdiction of the Federal Energy Regulatory Commission for its wholesale electric operations, hydroelectric generation licensing, accounting practices, wholesale sales for resale, transmission of electricity in interstate commerce, compliance with North American Electric Reliability Corporation standards, asset transactions and mergers and natural gas transactions in interstate commerce, (collectively with state utility regulatory agencies, the "Commissions"). Management has determined it meets the requirements under accounting principles generally accepted in the United States of America to prepare its financial statements applying the specialized rules to account for the effects of cost-based rate regulation. Accounting for the economics of rate regulation affects multiple financial statement line items and disclosures, including property, plant and equipment, regulatory assets and liabilities, operating revenues and expenses, and income taxes.

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The Company is subject to regulatory rate setting processes. Rates are determined and approved in regulatory proceedings based on an analysis of the Company's costs to provide utility service and a return on, and recovery of, the Company's investment in assets required to deliver services to customers. Accounting for the Company's regulated operations provides that rate-regulated entities report assets and liabilities consistent with the recovery of those incurred costs in rates, if it is probable that such rates will be charged and collected. The Commissions' regulation of rates is premised on the full recovery of incurred costs and a reasonable rate of return on invested capital. Decisions by the Commissions in the future will impact the accounting for regulated operations, including decisions about the amount of allowable costs and return on invested capital included in rates and any refunds that may be required. In the rate setting process, the Company's rates result in the recording of regulatory assets and liabilities based on the probability of future cash flows. Regulatory assets generally represent incurred or accrued costs that have been deferred because future recovery from customers is probable. Regulatory liabilities generally represent amounts that are expected to be refunded to customers in future rates or amounts collected in current rates for future costs.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about impacted account balances and disclosures and the high degree of subjectivity involved in assessing the impact of future regulatory orders on the financial statements. Management judgments include assessing the likelihood of recovery in future rates of incurred costs and requirements to refund amounts to customers. Given that management's accounting judgments are based on assumptions about the outcome of future decisions by the Commissions, auditing these judgments required specialized knowledge of accounting for rate regulation and the rate setting process due to its inherent complexities.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the uncertainty of future decisions by the Commissions included the following, among others:

- We tested the effectiveness of management's controls over the evaluation of the likelihood of (1) the recovery in future rates of costs deferred as regulatory assets, and (2) a refund or a future reduction in rates that should be reported as regulatory liabilities. We also tested the effectiveness of management's controls over the recognition of regulatory assets or liabilities and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- We read relevant regulatory orders issued by the Commissions for the Company, other regulatory filings, legal decisions and recommendations being evaluated by the Commissions, and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates. We evaluated historic orders for precedents of the Commissions' treatment of similar costs under similar circumstances. We compared the regulatory orders, filings and other publicly available information to the Company's recorded regulatory assets and liabilities for completeness.
- We obtained management's analysis and correspondence from counsel, as appropriate, regarding regulatory assets or liabilities not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery or a future reduction in rates.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
February 27, 2025

We have served as the Company's auditor since 2002.

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**NSP-MINNESOTA AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME**
*(amounts in millions)*

| | Year Ended Dec. 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| **Operating revenues** | | | |
| Electric, non-affiliates | $ 4,639 | $ 4,748 | $ 5,103 |
| Electric, affiliates | 460 | 493 | 514 |
| Natural gas | 653 | 754 | 1,022 |
| Other | 15 | 48 | 45 |
| Total operating revenues | 5,767 | 6,043 | 6,684 |
| **Operating expenses** | | | |
| Electric fuel and purchased power | 1,988 | 2,069 | 2,416 |
| Cost of natural gas sold and transported | 295 | 466 | 741 |
| Cost of sales — other | 4 | 30 | 26 |
| Operating and maintenance expenses | 1,271 | 1,244 | 1,228 |
| Conservation and demand side management expenses | 181 | 118 | 163 |
| Depreciation and amortization | 1,106 | 981 | 1,014 |
| Taxes (other than income taxes) | 212 | 237 | 276 |
| Workforce reduction expenses | — | 32 | — |
| Total operating expenses | 5,057 | 5,177 | 5,864 |
| **Operating income** | 710 | 866 | 820 |
| Other income (expense), net | 11 | — | (7) |
| Allowance for funds used during construction — equity | 53 | 36 | 29 |
| **Interest charges and financing costs** | | | |
| Interest charges and other financing costs | 363 | 325 | 291 |
| Allowance for funds used during construction — debt | (26) | (21) | (12) |
| Total interest charges and financing costs | 337 | 304 | 279 |
| **Income before income taxes** | 437 | 598 | 563 |
| Income tax benefit | (356) | (109) | (112) |
| **Net income** | $ 793 | $ 707 | $ 675 |

See Notes to Consolidated Financial Statements

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**NSP-MINNESOTA AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
*(amounts in millions)*

| | Year Ended Dec. 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| **Net income** | $ 793 | $ 707 | $ 675 |
| | | | |
| **Other comprehensive income (loss)** | | | |
| Pension and retiree medical benefits: | | | |
| Net pension and retiree medical gain arising during the period, net of tax | — | — | 1 |
| Derivative instruments: | | | |
| Net fair value increase (decrease), net of tax | 12 | (3) | — |
| Reclassification of losses to net income, net of tax | — | 1 | 1 |
| | | | |
| Total other comprehensive income (loss) | 12 | (2) | 2 |
| **Total comprehensive income** | $ 805 | $ 705 | $ 677 |

See Notes to Consolidated Financial Statements

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**NSP-MINNESOTA AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(amounts in millions)*

| | Year Ended Dec. 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| **Operating activities** | | | |
| Net income | $ 793 | $ 707 | $ 675 |
| Adjustments to reconcile net income to cash provided by operating activities: | | | |
| Depreciation and amortization | 1,112 | 988 | 1,021 |
| Nuclear fuel amortization | 106 | 96 | 118 |
| Deferred income taxes | 141 | 214 | (214) |
| Allowance for equity funds used during construction | (53) | (36) | (29) |
| Provision for bad debts | 15 | 30 | 21 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (42) | 1 | (102) |
| Accrued unbilled revenues | 18 | 82 | (53) |
| Inventories | (24) | (27) | (85) |
| Other current assets | (48) | (19) | (4) |
| Accounts payable | 59 | (64) | 46 |
| Net regulatory assets and liabilities | 108 | 287 | 443 |
| Other current liabilities | (214) | 56 | 39 |
| Pension and other employee benefit obligations | (42) | (15) | (11) |
| Other, net | (11) | 1 | 6 |
| Net cash provided by operating activities | 1,918 | 2,301 | 1,871 |
| | | | |
| **Investing activities** | | | |
| Capital/construction expenditures | (2,803) | (2,282) | (1,901) |
| Purchase of investment securities | (998) | (994) | (1,332) |
| Proceeds from the sale of investment securities | 961 | 959 | 1,297 |
| Investments in utility money pool arrangement | (390) | (300) | (1,522) |
| Repayments from utility money pool arrangement | 414 | 243 | 1,613 |
| Other, net | (3) | (3) | 6 |
| Net cash used in investing activities | (2,819) | (2,377) | (1,839) |
| | | | |
| **Financing activities** | | | |
| Proceeds from (repayments of) short-term borrowings, net | 30 | (42) | 207 |
| Borrowings under utility money pool arrangement | 271 | 302 | 6 |
| Repayments under utility money pool arrangement | (271) | (302) | (6) |
| Proceeds from issuance of long-term debt | 687 | 783 | 489 |
| Repayment of long-term debt | — | (400) | (300) |
| Capital contributions from parent | 715 | 351 | 124 |
| Dividends paid to parent | (494) | (647) | (560) |
| Net cash provided by (used in) financing activities | 938 | 45 | (40) |
| | | | |
| Net change in cash, cash equivalents and restricted cash | 37 | (31) | (8) |
| Cash, cash equivalents and restricted cash at beginning of period | 34 | 65 | 73 |
| Cash, cash equivalents and restricted cash at end of period | $ 71 | $ 34 | $ 65 |
| | | | |
| Supplemental disclosure of cash flow information: | | | |
| Cash paid for interest (net of amounts capitalized) | $ (313) | $ (294) | $ (268) |
| Cash received (paid) for income taxes, net; includes proceeds from tax credit transfers | 446 | 256 | (100) |
| | | | |
| Supplemental disclosure of non-cash investing and financing transactions: | | | |
| Accrued property, plant and equipment additions | $ 500 | $ 218 | $ 208 |
| Inventory transfers to property, plant and equipment | 41 | 55 | 10 |
| Operating lease right-of-use assets | 39 | 216 | 1 |
| Allowance for equity funds used during construction | 53 | 36 | 29 |

See Notes to Consolidated Financial Statements

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**NSP-MINNESOTA AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
*(amounts in millions, except share and per share data)*

| | Dec. 31 | |
|---|---|---|
| | 2024 | 2023 |
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 71 | $ 34 |
| Accounts receivable, net | 530 | 490 |
| Accounts receivable from affiliates | 1 | 15 |
| Investments in money pool arrangements | 33 | 57 |
| Accrued unbilled revenues | 272 | 290 |
| Inventories | 339 | 356 |
| Regulatory assets | 364 | 250 |
| Derivative instruments | 36 | 50 |
| Prepayments and other | 139 | 87 |
| Total current assets | 1,785 | 1,629 |
| Property, plant and equipment, net | 20,860 | 18,757 |
| Other assets | | |
| Nuclear decommissioning fund and other investments | 3,548 | 3,262 |
| Regulatory assets | 813 | 837 |
| Derivative instruments | 67 | 61 |
| Operating lease right-of-use assets | 393 | 439 |
| Other | 19 | 16 |
| Total other assets | 4,840 | 4,615 |
| Total assets | $ 27,485 | $ 25,001 |
| **Liabilities and Equity** | | |
| Current liabilities | | |
| Current portion of long-term debt | $ 250 | $ — |
| Short-term debt | 195 | 165 |
| Accounts payable | 631 | 579 |
| Accounts payable to affiliates | 100 | 89 |
| Regulatory liabilities | 543 | 300 |
| Taxes accrued | 221 | 223 |
| Accrued interest | 90 | 79 |
| Dividends payable to parent | 80 | 121 |
| Derivative instruments | 31 | 44 |
| Operating lease liabilities | 97 | 91 |
| Other | 150 | 351 |
| Total current liabilities | 2,388 | 2,042 |
| Deferred credits and other liabilities | | |
| Deferred income taxes | 2,238 | 1,992 |
| Deferred investment tax credits | 13 | 14 |
| Regulatory liabilities | 2,155 | 2,097 |
| Asset retirement obligations | 3,073 | 2,658 |
| Derivative instruments | 77 | 86 |
| Pension and employee benefit obligations | 151 | 168 |
| Operating lease liabilities | 317 | 372 |
| Other | 28 | 35 |
| Total deferred credits and other liabilities | 8,052 | 7,422 |
| Commitments and contingencies | | |
| Capitalization | | |
| Long-term debt | 7,607 | 7,330 |
| Long-term debt — related parties | 166 | — |
| Common stock — 5,000,000 shares authorized of $0.01 par value; 1,000,000 shares outstanding at Dec. 31, 2024 and Dec. 31, 2023, respectively | — | — |
| Additional paid in capital | 6,399 | 5,686 |
| Retained earnings | 2,881 | 2,541 |
| Accumulated other comprehensive loss | (8) | (20) |
| Total common stockholder's equity | 9,272 | 8,207 |
| Total liabilities and equity | $ 27,485 | $ 25,001 |

See Notes to Consolidated Financial Statements

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**NSP-MINNESOTA AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY**
*(amounts in millions, except share data)*

| | Common Stock | | | | | |
|---|---|---|---|---|---|---|
| | Shares | Par Value | Additional Paid In Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Common Stockholder's Equity |
| **Balance at Dec. 31, 2021** | 1,000,000 | $ — | $ 5,202 | $ 2,391 | $ (20) | $ 7,573 |
| Net income | | | | 675 | | 675 |
| Other comprehensive income | | | | | 2 | 2 |
| Dividends declared to parent | | | | (586) | | (586) |
| Contribution of capital by parent | | | 172 | | | 172 |
| **Balance at Dec. 31, 2022** | 1,000,000 | $ — | $ 5,374 | $ 2,480 | $ (18) | $ 7,836 |
| Net income | | | | 707 | | 707 |
| Other comprehensive loss | | | | | (2) | (2) |
| Dividends declared to parent | | | | (646) | | (646) |
| Contribution of capital by parent | | | 312 | | | 312 |
| **Balance at Dec. 31, 2023** | 1,000,000 | $ — | $ 5,686 | $ 2,541 | $ (20) | $ 8,207 |
| Net income | | | | 793 | | 793 |
| Other comprehensive income | | | | | 12 | 12 |
| Dividends declared to parent | | | | (453) | | (453) |
| Contribution of capital by parent | | | 713 | | | 713 |
| **Balance at Dec. 31, 2024** | 1,000,000 | $ — | $ 6,399 | $ 2,881 | $ (8) | $ 9,272 |

See Notes to Consolidated Financial Statements

**NORTHERN STATES POWER COMPANY - MINNESOTA**
**Notes to Consolidated Financial Statements**

**1. Summary of Significant Accounting Policies**

**General —** NSP-Minnesota is engaged in the regulated generation, purchase, transmission, distribution and sale of electricity and the regulated purchase, transportation, distribution and sale of natural gas.

NSP-Minnesota's consolidated financial statements include its wholly-owned subsidiaries. In the consolidation process, all intercompany transactions and balances are eliminated. NSP-Minnesota has investments in certain plants and transmission facilities jointly owned with nonaffiliated utilities.

Investments in certain plants and transmission facilities are jointly owned with nonaffiliated utilities. NSP-Minnesota's proportionate share of jointly owned facilities is recorded as property, plant and equipment on the consolidated balance sheets and NSP-Minnesota's proportionate share of operating costs associated with these facilities is included in its consolidated statements of income.

NSP-Minnesota's consolidated financial statements are presented in accordance with GAAP. All of NSP-Minnesota's underlying accounting records also conform to the FERC uniform system of accounts. Certain amounts in the consolidated financial statements or notes have been reclassified for comparative purposes; however, such reclassifications did not affect net income, total assets, liabilities, equity or cash flows.

NSP-Minnesota has evaluated events occurring after Dec. 31, 2024 up to the date of issuance of these consolidated financial statements. These statements contain all necessary adjustments and disclosures resulting from that evaluation.

**Use of Estimates —** NSP-Minnesota uses estimates based on the best information available to record transactions and balances resulting from business operations.

Estimates are used for items such as plant depreciable lives or potential disallowances, AROs, certain regulatory assets and liabilities, tax provisions, uncollectible amounts, environmental costs, unbilled revenues, jurisdictional fuel and energy cost allocations and actuarially determined benefit costs. Recorded estimates are revised when better information becomes available or actual amounts can be determined. Revisions can affect operating results.

**Regulatory Accounting —** NSP-Minnesota accounts for income and expense items in accordance with accounting guidance for regulated operations. Under this guidance:

- Certain costs, which would otherwise be charged to expense or other comprehensive income, are deferred as regulatory assets based on the expected ability to recover the costs in future rates.
- Certain credits, which would otherwise be reflected as income or other comprehensive income, are deferred as regulatory liabilities based on the expectation the amounts will be returned to customers in future rates, or because the amounts were collected in rates prior to the costs being incurred.

Estimates and assumptions for recovery of deferred costs and refund of deferred credits are based on specific ratemaking decisions, precedent or other available information. Regulatory assets and liabilities are amortized consistent with the treatment in the rate setting process.

If changes in the regulatory environment occur, NSP-Minnesota may no longer be eligible to apply this accounting treatment and may be required to eliminate regulatory assets and liabilities. Such changes could have a material effect on NSP-Minnesota's results of operations, financial condition and cash flows.

See Note 4 for further information.

**Income Taxes —** NSP-Minnesota accounts for income taxes using the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Income taxes are deferred for all temporary differences between pretax financial and taxable income and between the book and tax bases of assets and liabilities utilizing rates that are scheduled to be in effect when the temporary differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Utility rate regulation has resulted in the recognition of regulatory assets and liabilities related to income taxes. The effects of NSP-Minnesota's tax rate changes are generally subject to a normalization method of accounting. Therefore, the revaluation of most of its net deferred taxes upon a tax rate reduction results in the establishment of a net regulatory liability, refundable to utility customers over the remaining life of the related assets. NSP-Minnesota anticipates that a tax rate increase would predominantly result in the establishment of a regulatory asset, subject to an evaluation of whether future recovery is expected.

Reversal of certain temporary differences are accounted for as current income tax expense due to the effects of past regulatory practices when deferred taxes were not required to be recorded due to the use of flow through accounting for ratemaking purposes.

Tax credits are recorded when earned unless there is a requirement to defer the benefit and amortize over the book depreciable lives of related property. The requirement to defer and amortize these credits specifically applies to certain federal ITCs, as determined by tax regulations and NSP-Minnesota tax elections. For tax credits otherwise eligible to be recognized when earned, NSP-Minnesota considers the impact of rate regulation to determine if these credits and related adjustments should be deferred as regulatory assets or liabilities.

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. This evaluation includes consideration of whether tax credits are expected to be sold at a discount and impact the realization of amounts presented as deferred tax assets. Transferable tax credits are accounted for under ASC 740, *Income Taxes*, and valuation allowances and any adjustments for discounts incurred on sales transactions are recorded to deferred tax expense, typically recovered in regulatory mechanisms.

NSP-Minnesota measures and discloses uncertain tax positions that it has taken or expects to take in its income tax returns. A tax position is recognized in the consolidated financial statements when it is more likely than not that the position will be sustained upon examination based on the technical merits of the position. Recognition of changes in uncertain tax positions are reflected as a component of income tax expense.

Interest and penalties related to income taxes are reported within Other income (expense), net or interest charges in the consolidated statements of income.

Xcel Energy Inc. and its subsidiaries, including NSP-Minnesota file consolidated federal income tax returns as well as consolidated or separate state income tax returns. Federal income taxes paid by Xcel Energy Inc. are allocated to its subsidiaries based on separate company computations. A similar allocation is made for state income taxes paid by Xcel Energy Inc. in connection with consolidated state filings. Xcel Energy Inc. also allocates its own income tax benefits to its direct subsidiaries.

See Note 7 for further information.

**Property, Plant and Equipment and Depreciation in Regulated Operations** — Property, plant and equipment is stated at original cost. The cost of plant includes direct labor and materials, contracted work, overhead costs and AFUDC. The cost of plant retired is charged to accumulated depreciation and amortization. Amounts recovered in rates for future removal costs are recorded as regulatory liabilities. Significant additions or improvements extending asset lives are capitalized, while repairs and maintenance costs and replacement of items determined to be less than a unit of property are charged to expense as incurred.

Property, plant and equipment is tested for impairment when it is determined that the carrying value of the assets may not be recoverable. A loss is recognized in the current period if it becomes probable that part of a cost of a plant under construction or recently completed plant will be disallowed for recovery from customers and a reasonable estimate of the disallowance can be made.

For investments in property, plant and equipment that are abandoned and not expected to go into service, incurred costs and related deferred tax amounts are compared to the discounted estimated future rate recovery, and a loss is recognized, if necessary.

Depreciation expense is recorded using the straight-line method over the plant's commission approved useful life. Actuarial life studies are performed and submitted to the state and federal commissions for review. Upon acceptance by the various commissions, the resulting lives and net salvage rates are used to calculate depreciation. Plant removal costs are typically recognized at the amounts recovered in rates as authorized by the applicable regulator. Accumulated removal costs are reflected in the consolidated balance sheet as a regulatory liability. Depreciation expense, expressed as a percentage of average depreciable property, was approximately 3.9% for 2024, 3.7% for 2023 and 4.0% for 2022.

See Note 3 for further information.

**AROs** — NSP-Minnesota records AROs as a liability in the period incurred (if fair value can be reasonably estimated), with the offsetting/associated costs capitalized as a long-lived asset. The liability is generally increased over time by applying the effective interest method of accretion and the capitalized costs are typically depreciated over the useful life of the long-lived asset. Changes resulting from revisions to timing or amounts of expected asset retirement cash flows are recognized as an increase or a decrease in the ARO.

See Note 10 for further information.

**Nuclear Decommissioning** — Nuclear decommissioning studies that estimate NSP-Minnesota's costs of decommissioning its nuclear power plants are normally performed at least every three years and submitted to the state commissions for approval. The latest decommissioning study was deferred one year and completed in 2024.

NSP-Minnesota recovers regulator-approved decommissioning costs of its nuclear power plants over each facility's expected service life, typically based on the triennial decommissioning studies. The studies consider estimated future costs of decommissioning and the market value of investments in trust funds and recommend annual funding amounts. Amounts collected in rates are deposited in the trust funds. For financial reporting purposes, NSP-Minnesota accounts for nuclear decommissioning as an ARO.

Restricted funds for future decommissioning expenditures for NSP-Minnesota's nuclear facilities are included in nuclear decommissioning fund and other assets on the consolidated balance sheets.

See Notes 8 and 10 for further information.

**Benefit Plans and Other Postretirement Benefits** — NSP-Minnesota maintains pension and postretirement benefit plans for eligible employees. Recognizing the cost of providing benefits and measuring the projected benefit obligation of these plans requires management to make various assumptions and estimates.

Certain unrecognized actuarial gains and losses and unrecognized prior service costs or credits are deferred as regulatory assets and liabilities, rather than recorded as other comprehensive income, based on regulatory recovery mechanisms.

See Note 9 for further information.

**Environmental Costs** — Environmental costs are recorded when it is probable NSP-Minnesota is liable for remediation costs and the amount can be reasonably estimated. Costs are deferred as a regulatory asset if it is probable the costs will be recovered from customers in future rates. Otherwise, the costs are expensed. For certain environmental costs related to facilities currently in use, such as for emission-control equipment, the cost is capitalized and depreciated over the life of the plant.

Estimated remediation costs are regularly adjusted as estimates are revised and remediation is performed. If other participating potentially responsible parties exist and acknowledge their potential involvement with a site, costs are estimated and recorded only for NSP-Minnesota's expected share of the cost.

Estimated future expenditures to restore sites are generally treated as a capitalized cost of plant retirement. The depreciation expense levels recoverable in rates include a provision for removal expenses. Removal costs recovered in rates before the related costs are incurred are classified as a regulatory liability. When separate mechanisms are expected to provide cost recovery or when changes in projected costs occur near the end of a facility's useful life, regulatory accounting may be applied.

See Note 10 for further information.

**Revenue from Contracts with Customers** — Performance obligations related to the sale of energy are satisfied as energy is delivered to customers. NSP-Minnesota recognizes revenue that corresponds to the price of the energy delivered to the customer. The measurement of energy sales to customers is generally based on the reading of their meters, which occurs systematically throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and the corresponding unbilled revenue is recognized.

A separate financing component of collections from customers is not recognized as contract terms are short-term in nature. Revenues are net of any excise or sales taxes or fees.

NSP-Minnesota recognizes physical sales to customers (native load and wholesale) on a gross basis in electric revenues and cost of sales. Revenues and charges for short-term physical wholesale sales of excess energy transacted through RTOs are also recorded on a gross basis. Other revenues and charges settled/facilitated through an RTO are recorded on a net basis in cost of sales.

NSP-Minnesota has various rate-adjustment mechanisms that provide for the recovery of natural gas, electric fuel and purchased energy costs. Cost-adjustment tariffs may increase or decrease the level of revenue collected from customers and are revised periodically for differences between the total amount collected under the clauses and the costs incurred.

When applicable, fuel cost over-recoveries (the excess of fuel revenue billed to customers over fuel costs incurred) are deferred as regulatory liabilities and under-recoveries (the excess of fuel costs incurred over fuel revenues billed to customers) are deferred as regulatory assets.

See Note 6 for further information.

**Cash and Cash Equivalents** — NSP-Minnesota considers investments in instruments with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

**Accounts Receivable and Allowance for Bad Debts** — Accounts receivable are stated at the actual billed amount net of an allowance for bad debts. NSP-Minnesota establishes an allowance for uncollectible receivables based on a policy that reflects its expected exposure to the credit risk of customers.

As of Dec. 31, 2024 and 2023, the allowance for bad debts was $42 million and $48 million, respectively.

**Inventory** — Inventory is recorded at the lower of average cost or net realizable value and consisted of the following:

| (Millions of Dollars) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| **Inventories** | | |
| Materials and supplies | $ 234 | $ 219 |
| Fuel | 81 | 105 |
| Natural gas | 24 | 32 |
| Total inventories | $ 339 | $ 356 |

**Fair Value Measurements** — NSP-Minnesota presents cash equivalents, interest rate derivatives, rabbi trust assets, commodity derivatives, pension and postretirement plan assets and nuclear decommissioning fund assets at estimated fair values in its consolidated financial statements.

For interest rate derivatives, quoted prices based primarily on observable market interest rate curves are used to estimate fair value. For commodity derivatives, the most observable inputs available are generally used to determine the fair value of each contract. In the absence of a quoted price, quoted prices for similar contracts or internally prepared valuation models may be used to determine fair value.

For rabbi trust assets, pension and postretirement plan assets and nuclear decommissioning fund assets, published trading data and pricing models, generally using the most observable inputs available, are utilized to determine fair value for each security.

See Notes 8 and 9 for further information.

**Derivative Instruments** — NSP-Minnesota uses derivative instruments in connection with its commodity trading activities, and to manage risk associated with changes in interest rates and utility commodity prices, including forward contracts, futures, swaps and options. Derivatives not qualifying for the normal purchases and normal sales exception are recorded on the consolidated balance sheets at fair value as derivative instruments. Classification of changes in fair value for those derivative instruments is dependent on the designation of a qualifying hedging relationship.

Changes in fair value of derivative instruments not designated in a qualifying hedging relationship are reflected in current earnings or as a regulatory asset or liability. Classification as a regulatory asset or liability is based on commission approved regulatory recovery mechanisms.

Gains or losses on commodity trading transactions are recorded as a component of electric operating revenues.

***Normal Purchases and Normal Sales*** — NSP-Minnesota enters into contracts for purchases and sales of commodities for use and sale in its operations. At inception, contracts are evaluated to determine whether they contain a derivative, and if so, whether they may be exempted from derivative accounting if designated as normal purchases or normal sales.

See Note 8 for further information.

**Commodity Trading Operations** — All applicable gains and losses related to commodity trading activities are shown on a net basis in electric operating revenues in the consolidated statements of income.

Commodity trading activities are not associated with energy produced from NSP-Minnesota's generation assets or energy and capacity purchased to serve native load. Commodity trading contracts are recorded at fair market value and commodity trading results include the impact of all margin-sharing mechanisms.

See Note 8 for further information.

**Other Utility Items**

***AFUDC*** — AFUDC represents the cost of capital used to finance utility construction activity and is computed by applying a composite financing rate to qualified CWIP. The amount of AFUDC capitalized as a utility construction cost is credited to other nonoperating income (for equity capital) and interest charges (for debt capital). AFUDC amounts capitalized are included in NSP-Minnesota's rate base.

***Alternative Revenue*** — Certain rate rider mechanisms (including decoupling/sales true up and CIP/DSM programs) qualify as alternative revenue programs. These mechanisms arise from instances in which the regulator authorizes a future surcharge in response to past activities or completed events. When certain criteria are met, including expected collection within 24 months, revenue is recognized, which may include incentives and return on rate base items.

Billing amounts are revised periodically for differences between total amount collected and revenue earned, which may increase or decrease the level of revenue collected from customers. Alternative revenues arising from these programs are presented on a gross basis and disclosed separately from revenue from contracts with customers.

See Note 6 for further information.

***Conservation Programs*** — Costs incurred for DSM and CIP programs are deferred if it is probable future revenue will recover the incurred cost. Revenues recognized for incentive programs for the recovery of lost margins and/or conservation performance incentives are limited to amounts expected to be collected within 24 months from the year they are earned. Regulatory assets are recognized to reflect the amount of costs or earned incentives that have not yet been collected from customers.

***Emissions Allowances*** — Emissions allowances are recorded at cost, including broker commission fees. The inventory accounting model is utilized for all emissions allowances and any sales of these allowances are included in electric revenues.

***Nuclear Refueling Outage Costs*** — NSP-Minnesota uses a deferral and amortization method for nuclear refueling costs. This method amortizes costs over the period between refueling outages consistent with rate recovery.

***RECs*** — Cost of RECs that are utilized for compliance is recorded as electric fuel and purchased power expense. An inventory accounting model is used to account for RECs.

Sales of RECs are recorded in electric revenues on a gross basis. The cost of these RECs and amounts credited to customers under margin-sharing mechanisms are recorded in electric fuel and purchased power expense.

Cost of RECs that are utilized to support commodity trading activities are recorded in a similar manner as the associated commodities and are presented on a net basis in electric operating revenues in the consolidated statements of income.

## 2. Accounting Pronouncements

### Recently Adopted

***Segment Reporting*** — In November 2023, the FASB issued ASU 2023-07 – *Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures*, which extends the existing requirements for annual disclosures to quarterly periods, and requires that both annual and quarterly disclosures present segment expenses using line items consistent with information regularly provided to the chief operating decision maker. NSP-Minnesota implemented this guidance on a retrospective basis in the year ended Dec. 31, 2024. The adoption impacts were not material.

See Note 12 for further information.

### Recently Issued

***Income Taxes*** — In December 2023, the FASB issued ASU 2023-09 – *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*, with new disclosure requirements including presentation of prescribed line items in the ETR reconciliation and disclosures regarding state and local tax payments. The ASU is effective for annual periods beginning after Dec. 15, 2024, and NSP-Minnesota does not expect implementation of the new disclosure guidance to have a material impact on its consolidated financial statements.

***Climate-Related Disclosures*** — In March 2024, the SEC issued Final Rule 33-11275 – The Enhancement and Standardization of Climate-Related Disclosures for Investors. This rule requires registrants to provide standardized disclosures in Form 10-K related to climate-related risks, Scope 1 and 2 GHG emissions, as well as to include in a footnote to the consolidated financial statements the financial impact of severe weather events and other natural conditions. The rule requires implementation in phases between 2025 and 2033. In April 2024, the SEC announced that it would voluntarily stay its final climate disclosure rules pending judicial review. NSP-Minnesota does not expect the potential implementation of the new guidance to have a material impact on the consolidated financial statements.

***Disaggregation of Income Statement Expenses*** — In November 2024, the FASB issued ASU 2024-03 – *Disaggregation of Income Statement Expenses*, which requires disaggregated disclosure of income statement expenses for public business entities. The ASU is effective for annual periods beginning after Dec. 15, 2026. NSP-Minnesota is currently evaluating the impact of implementing the new disclosure guidance.

## 3. Property, Plant and Equipment

### Major classes of property, plant and equipment

| (Millions of Dollars) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| **Property, plant and equipment, net** | | |
| Electric plant | $ 23,218 | $ 21,206 |
| Natural gas plant | 2,472 | 2,256 |
| Common and other property | 1,450 | 1,301 |
| Plant to be retired [(a)] | 554 | 604 |
| CWIP | 1,522 | 1,085 |
| Total property, plant and equipment | 29,216 | 26,452 |
| Less accumulated depreciation | (8,753) | (8,044) |
| Nuclear fuel | 3,491 | 3,337 |
| Less accumulated amortization | (3,094) | (2,988) |
| Property, plant and equipment, net | $ 20,860 | $ 18,757 |

(a) Amounts include Sherco 1 and 3 and A.S. King. Balance is presented net of accumulated depreciation.

### Joint Ownership of Generation and Transmission Facilities

Jointly owned assets as of Dec. 31, 2024:

| (Millions of Dollars, Except Percent Owned) | Plant in Service | Accumulated Depreciation | Percent Owned |
|---|---|---|---|
| Electric generation: | | | |
| Sherco Unit 3 | $ 636 | $ 499 | 59 % |
| Sherco common facilities | 189 | 128 | 80 |
| Sherco substation | 5 | 4 | 59 |
| Electric transmission: | | | |
| Grand Meadow | 11 | 4 | 50 |
| Huntley Wilmarth | 49 | 3 | 50 |
| CapX2020 | 855 | 160 | 51 |
| Total [(a)] | $ 1,745 | $ 798 | |

(a) Projects additionally include $10 million in CWIP.

NSPM separately records its share of operating expenses and construction expenditures. Respective owners are responsible for providing their own financing.

### 4. Regulatory Assets and Liabilities

Regulatory assets and liabilities are created for amounts that regulators may allow to be collected or may require to be paid back to customers in future electric and natural gas rates. NSP-Minnesota would be required to recognize the write-off of regulatory assets and liabilities in net income or other comprehensive income if changes in the utility industry no longer allow for the application of regulatory accounting guidance under GAAP.

Components of regulatory assets:

| (Millions of Dollars) | See Note(s) | Remaining Amortization Period | Dec. 31, 2024 | | Dec. 31, 2023 | |
|---|---|---|---|---|---|---|
| **Regulatory Assets** | | | Current | Noncurrent | Current | Noncurrent |
| Pension and retiree medical obligations | 9 | Various | $ 21 | $ 339 | $ 18 | $ 340 |
| Recoverable deferred taxes on AFUDC | | Plant lives | — | 137 | — | 127 |
| Excess deferred taxes — TCJA | 7 | Various | 8 | 87 | 8 | 96 |
| MISO capacity revenue tracker | | One to two years | 63 | 45 | 36 | 26 |
| Prairie Island extended power uprate | | 10 years | 4 | 34 | 4 | 38 |
| Benson biomass PPA termination and asset purchase | | Four years | 10 | 26 | 10 | 36 |
| Deferred purchased natural gas | | One to two years | 51 | 25 | 16 | 58 |
| Sales true-up and revenue decoupling | | One to two years | 60 | 23 | 7 | 2 |
| Nuclear refueling outage costs | 1 | One to two years | 51 | 20 | 43 | 19 |
| Contract valuation adjustments [(a)] | 1, 8 | Term of related contract | 7 | 16 | 9 | 22 |
| Purchased power contracts costs | | Term of related contract | 1 | 16 | 1 | 20 |
| Conservation programs [(b)] | 1 | One to two years | 8 | 15 | 6 | 19 |
| Renewable resources and environmental initiatives | | Less than one year | 34 | — | 38 | — |
| Gas pipeline inspection and remediation costs | | Less than one year | 30 | — | 37 | — |
| Other | | Various | 16 | 30 | 17 | 34 |
| Total regulatory assets | | | $ 364 | $ 813 | $ 250 | $ 837 |

(a) Includes the fair value of certain long-term PPAs used to meet energy capacity requirements and valuation adjustments on natural gas commodity purchases.
(b) Includes costs for conservation programs, as well as incentives allowed in certain jurisdictions.

Components of regulatory liabilities:

| (Millions of Dollars) | See Note(s) | Remaining Amortization Period | Dec. 31, 2024 | | Dec. 31, 2023 | |
|---|---|---|---|---|---|---|
| **Regulatory Liabilities** | | | Current | Noncurrent | Current | Noncurrent |
| Deferred income tax adjustments and TCJA refunds [(a)] | 7 | Various | $ 5 | $ 1,105 | $ 5 | $ 1,157 |
| Plant removal costs | 1, 10 | Various | — | 815 | — | 741 |
| Net AROs [(b)] | | Various | — | 161 | — | 90 |
| Renewable resources and environmental initiatives | | Various | 16 | 38 | 9 | 27 |
| Deferred natural gas and electric energy/fuel costs [(c)] | | One to two years | 348 | 12 | 143 | — |
| Conservation programs | | Less than one year | 41 | — | 27 | — |
| Contract valuation adjustments [(d)] | 1, 8 | Less than one year | 21 | — | 16 | — |
| Other | | Various | 112 | 24 | 100 | 82 |
| Total regulatory liabilities [(e)] | | | $ 543 | $ 2,155 | $ 300 | $ 2,097 |

(a) Includes the revaluation of recoverable/regulated plant accumulated deferred income taxes and revaluation impact of non-plant accumulated deferred income taxes due to the TCJA.
(b) Includes amounts recorded for future recovery of AROs, less amounts recovered through nuclear decommissioning accruals and gains from decommissioning investments.
(c) Includes Nuclear PTCs.
(d) Includes the fair value of FTR instruments utilized/intended to offset the impacts of transmission system congestion.
(e) Revenue subject to refund of $3 million and $187 million for 2024 and 2023, respectively, is included in other current liabilities.

NSP-Minnesota's regulatory assets not earning a return include past expenditures of $562 million and $479 million at Dec. 31, 2024 and 2023, respectively, which predominately relate to purchased natural gas (including certain costs related to Winter Storm Uri), sales true-up and revenue decoupling, various renewable resources/environmental initiatives and certain prepaid pension amounts. Additionally, the unfunded portion of pension and retiree medical obligations and net AROs (i.e. deferrals for which cash has not been disbursed) do not earn a return.

## 5. Borrowings and Other Financing Instruments

### Short-Term Borrowings

NSP-Minnesota meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings under its credit facility and the money pool.

***Money Pool*** — Xcel Energy Inc. and its utility subsidiaries have established a money pool arrangement that allows for short-term investments in and borrowings between the utility subsidiaries. Xcel Energy Inc. may make investments in the utility subsidiaries at market-based interest rates; however, the money pool arrangement does not allow the utility subsidiaries to make investments in Xcel Energy Inc.

Money pool borrowings:

| (Millions of Dollars, Except Interest Rates) | Three Months Ended Dec. 31, 2024 | Year Ended Dec. 31 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Borrowing limit | $ 250 | $ 250 | $ 250 | $ 250 |
| Amount outstanding at period end | — | — | — | — |
| Average amount outstanding | 31 | 10 | 17 | — |
| Maximum amount outstanding | 139 | 139 | 135 | 4 |
| Weighted average interest rate, computed on a daily basis | 4.62 % | 4.82 % | 4.97 % | 3.87 % |
| Weighted average interest rate at period end | N/A | N/A | N/A | N/A |

***Commercial Paper*** — Commercial paper outstanding:

| (Millions of Dollars, Except Interest Rates) | Three Months Ended Dec. 31, 2024 | Year Ended Dec. 31 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Borrowing limit | $ 700 | $ 700 | $ 700 | $ 700 |
| Amount outstanding at period end | 195 | 195 | 165 | 207 |
| Average amount outstanding | 24 | 54 | 92 | 21 |
| Maximum amount outstanding | 215 | 400 | 441 | 290 |
| Weighted average interest rate, computed on a daily basis | 4.62 % | 5.39 % | 4.99 % | 4.14 % |
| Weighted average interest rate at end of period | 4.63 | 4.63 | 5.47 | 4.64 |

***Letters of Credit*** — NSP-Minnesota uses letters of credit, typically with terms of one year, to provide financial guarantees for certain operating obligations. At Dec. 31, 2024 and 2023, there were $12 million and $15 million of letters of credit outstanding under the credit facility, respectively. The contract amounts of these letters of credit approximate their fair value and are subject to fees.

***Credit Facility*** — In order to use commercial paper programs to fulfill short-term funding needs, NSP-Minnesota must have revolving credit facilities in place at least equal to the amount of their respective commercial paper borrowing limits and cannot issue commercial paper exceeding available capacity under these credit facilities.

The lines of credit provide short-term financing in the form of notes payable to banks, letters of credit and back-up support for commercial paper borrowings.

Features of NSP-Minnesota's credit facility:

| Debt-to-Total Capitalization Ratio [a] 2024 | 2023 | Amount Facility May Be Increased (millions of dollars) | Additional Periods for Which a One-Year Extension May Be Requested [b] |
|---|---|---|---|
| 47.0 % | 47.7 % | $ 150 | 2 |

(a) The credit facility has a financial covenant requiring that the debt-to-total capitalization ratio be less than or equal to 65%.
(b) All extension requests are subject to majority bank group approval.

The credit facility has a cross-default provision that NSP-Minnesota would be in default on its borrowings under the facility if it or any of its subsidiaries whose total assets exceed 15% of NSP-Minnesota's consolidated total assets, default on indebtedness in an aggregate principal amount exceeding $75 million.

If NSP-Minnesota does not comply with the covenant, an event of default may be declared, and if not remedied, any outstanding amounts due under the facility can be declared due by the lender. As of Dec. 31, 2024, NSP-Minnesota was in compliance with the financial covenant on its debt agreements.

NSP-Minnesota had the following committed credit facility available as of Dec. 31, 2024 (in millions of dollars):

| Credit Facility [a] | Drawn [b] | Available |
|---|---|---|
| $ 700 | $ 207 | $ 493 |

(a) This credit facility matures in September 2027.
(b) Includes outstanding commercial paper and letters of credit.

All credit facility bank borrowings, outstanding letters of credit and outstanding commercial paper reduce the available capacity under the credit facility. NSP-Minnesota had no direct advances on the facility outstanding at Dec. 31, 2024 and 2023.

***Bilateral Credit Agreement*** — In April 2024, NSP-Minnesota's uncommitted bilateral credit agreement was renewed for an additional one-year term. The credit agreement is limited in use to support letters of credit.

As of Dec. 31, 2024, and 2023 NSP-Minnesota had $74 million and $65 million outstanding letters of credit under the $75 million Bilateral Credit Agreement, respectively.

### Long-Term Borrowings and Other Financing Instruments

Generally, the property of NSP-Minnesota is subject to the lien of its first mortgage indenture for the benefit of bondholders. Debt premiums, discounts and expenses are amortized over the life of the related debt. The premiums, discounts and expenses for refinanced debt are deferred and amortized over the life of the new issuance.

Long term debt obligations for NSP-Minnesota as of Dec. 31 (in millions of dollars):

| Financing Instrument | Interest Rate | Maturity Date | 2024 | 2023 |
|---|---|---|---|---|
| First mortgage bonds | 7.125 | July 1, 2025 | 250 | 250 |
| First mortgage bonds | 6.50 | March 1, 2028 | 150 | 150 |
| First mortgage bonds | 2.25 | April 1, 2031 | 425 | 425 |
| First mortgage bonds | 5.25 | July 15, 2035 | 250 | 250 |
| First mortgage bonds | 6.25 | June 1, 2036 | 400 | 400 |
| First mortgage bonds | 6.20 | July 1, 2037 | 350 | 350 |
| First mortgage bonds | 5.35 | Nov. 1, 2039 | 300 | 300 |
| First mortgage bonds | 4.85 | Aug. 15, 2040 | 250 | 250 |
| First mortgage bonds | 3.40 | Aug. 15, 2042 | 500 | 500 |
| First mortgage bonds | 4.125 | May 15, 2044 | 300 | 300 |
| First mortgage bonds | 4.00 | Aug. 15, 2045 | 300 | 300 |
| First mortgage bonds | 3.60 | May 15, 2046 | 350 | 350 |
| First mortgage bonds | 3.60 | Sept. 15, 2047 | 600 | 600 |
| First mortgage bonds | 2.90 | March 1, 2050 | 600 | 600 |
| First mortgage bonds [a] | 2.60 | June 1, 2051 | 700 | 700 |
| First mortgage bonds | 3.20 | April 1, 2052 | 425 | 425 |
| First mortgage bonds | 4.50 | June 1, 2052 | 500 | 500 |
| First mortgage bonds [b] | 5.10 | May 15, 2053 | 800 | 800 |
| First mortgage bonds [c] | 5.40 | March 15, 2054 | 700 | — |
| Other long-term debt | | | 2 | 2 |
| Long-term debt — related parties principal amount outstanding [a] | 2.60 | Jun 1, 2051 | (166) | — |
| Unamortized discount | | | (49) | (49) |
| Unamortized debt issuance cost | | | (80) | (73) |
| Current maturities | | | (250) | — |
| Total long-term debt | | | $ 7,607 | $ 7,330 |

(a) During 2024, Xcel Energy Inc. purchased a portion of these NSP-Minnesota first mortgage bonds for $105 million. Interest expense related to these repurchased bonds was immaterial for the year ended Dec. 31, 2024.
(b) 2023 financing.
(c) 2024 financing.

Maturities of long-term debt are as follows:

| (Millions of Dollars) | |
|---|---|
| 2025 | $ 250 |
| 2026 | — |
| 2027 | — |
| 2028 | 150 |
| 2029 | — |

***Dividend Restrictions*** — NSP-Minnesota's dividends are subject to the FERC's jurisdiction, which prohibits the payment of dividends out of capital accounts. Dividend payments are solely to be paid from retained earnings.

NSP-Minnesota's state regulatory commissions additionally impose dividend limitations, which are more restrictive than those imposed by the FERC.

Requirements and actuals as of Dec. 31, 2024:

| Equity to Total Capitalization Ratio Required Range | | Equity to Total Capitalization Ratio Actual |
|---|---|---|
| Low | High | 2024 |
| 47.6 % | 58.2 % | 53.0 % |

| Unrestricted Retained Earnings | Total Capitalization | Limit on Total Capitalization |
|---|---|---|
| $ 1,809 million | $ 17,490 million | $ 17,800 million |

## 6. Revenues

Revenue is classified by the type of goods/services rendered and market/customer type. NSP-Minnesota's operating revenues consisted of the following:

| | Year Ended Dec. 31, 2024 | | | |
|---|---|---|---|---|
| (Millions of Dollars) | Electric | Natural Gas | All Other | Total |
| **Major revenue types** | | | | |
| Revenue from contracts with customers: | | | | |
| Residential | $ 1,496 | $ 328 | $ 7 | $ 1,831 |
| C&I | 2,191 | 221 | — | 2,412 |
| Other | 36 | — | 8 | 44 |
| **Total retail** | 3,723 | 549 | 15 | 4,287 |
| Wholesale | 319 | — | — | 319 |
| Transmission | 262 | — | — | 262 |
| Interchange and other | 446 | 31 | — | 477 |
| **Total revenue from contracts with customers** | 4,750 | 580 | 15 | 5,345 |
| Alternative revenue and other | 349 | 73 | — | 422 |
| **Total revenues** | $ 5,099 | $ 653 | $ 15 | $ 5,767 |

| | Year Ended Dec. 31, 2023 | | | |
|---|---|---|---|---|
| (Millions of Dollars) | Electric | Natural Gas | All Other | Total |
| **Major revenue types** | | | | |
| Revenue from contracts with customers: | | | | |
| Residential | $ 1,524 | $ 368 | $ 41 | $ 1,933 |
| C&I | 2,298 | 309 | — | 2,607 |
| Other | 34 | — | 7 | 41 |
| **Total retail** | 3,856 | 677 | 48 | 4,581 |
| Wholesale | 354 | — | — | 354 |
| Transmission | 263 | — | — | 263 |
| Interchange and other | 493 | 18 | — | 511 |
| **Total revenue from contracts with customers** | 4,966 | 695 | 48 | 5,709 |
| Alternative revenue and other | 275 | 59 | — | 334 |
| **Total revenues** | $ 5,241 | $ 754 | $ 48 | $ 6,043 |

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| | Year Ended Dec. 31, 2022 | | | |
|---|---|---|---|---|
| (Millions of Dollars) | Electric | Natural Gas | All Other | Total |
| **Major revenue types** | | | | |
| Revenue from contracts with customers: | | | | |
| Residential | $ 1,463 | $ 510 | $ 38 | $ 2,011 |
| C&I | 2,376 | 433 | — | 2,809 |
| Other | 38 | — | 7 | 45 |
| **Total retail** | 3,877 | 943 | 45 | 4,865 |
| Wholesale | 668 | — | — | 668 |
| Transmission | 287 | — | — | 287 |
| Interchange and other | 529 | 19 | — | 548 |
| **Total revenue from contracts with customers** | 5,361 | 962 | 45 | 6,368 |
| Alternative revenue and other | 256 | 60 | — | 316 |
| **Total revenues** | $ 5,617 | $ 1,022 | $ 45 | $ 6,684 |

## 7. Income Taxes

Total income tax expense from operations differs from the amount computed by applying the statutory federal income tax rate to income before income tax expense.

Effective income tax rate for years ended Dec. 31:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Federal statutory rate | 21.0 % | 21.0 % | 21.0 % |
| State income tax on pretax income, net of federal tax effect | 7.1 | 7.0 | 7.0 |
| Increases (decreases) in tax from: | | | |
| PTCs [a] | (99.4) | (39.5) | (39.6) |
| Plant regulatory differences [b] | (9.2) | (5.7) | (6.7) |
| Other tax credits, net NOL & tax credit allowances | (1.9) | (1.3) | (1.3) |
| Other, net | 0.9 | 0.3 | (0.3) |
| Effective income tax rate | (81.5)% | (18.2)% | (19.9)% |

(a) Wind, Solar, and Nuclear PTCs (net of estimated transfer discounts) are generally credited to customers (reduction to revenue) and do not materially impact earnings. Nuclear PTCs, newly available in 2024, resulted in benefits of 39.5% to the ETR for the year ended Dec. 31, 2024.

(b) Plant regulatory differences primarily relate to the credit of excess deferred taxes to customers through the average rate assumption method. Income tax benefits associated with the credit are offset by corresponding revenue reductions.

Components of income tax expense for years ended Dec. 31:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current federal tax (benefit) expense | $ (149) | $ (154) | $ 70 |
| Current state tax (benefit) expense | (25) | 3 | 26 |
| Current change in unrecognized tax expense (benefit) | 3 | (21) | 8 |
| Deferred federal tax (benefit) expense | (244) | 5 | (237) |
| Deferred state tax expense | 61 | 51 | 23 |
| Deferred change in unrecognized tax (benefit) expense | (1) | 8 | — |
| Deferred ITCs | (1) | (1) | (2) |
| Total income tax benefit | $ (356) | $ (109) | $ (112) |

Components of deferred income tax expense as of Dec. 31:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Deferred tax expense (benefit) excluding items below | $ 246 | $ 326 | (283) |
| Adjustments to deferred income taxes for tax credit cash transfers [a] | (325) | (150) | — |
| Amortization and adjustments to deferred income taxes on income tax regulatory assets and liabilities | (99) | (114) | 70 |
| Tax (expense) benefit allocated to other comprehensive income and other | (6) | 2 | (1) |
| Deferred tax (benefit) expense | $ (184) | $ 64 | $ (214) |

(a) Proceeds from tax credit transfers are included in cash received (paid) for income taxes in the consolidated statement of cash flows.

Components of the net deferred tax liability as of Dec. 31:

| (Millions of Dollars) | 2024 | 2023 [a] |
|---|---|---|
| Deferred tax liabilities: | | |
| Differences between book and tax bases of property | $ 3,150 | $ 2,938 |
| Regulatory assets | 234 | 173 |
| Operating lease assets | 115 | 129 |
| Pension expense | 67 | 64 |
| Deferred fuel costs | 21 | 20 |
| Other | 21 | 9 |
| Total deferred tax liabilities | $ 3,608 | $ 3,333 |
| | | |
| Deferred tax assets: | | |
| Tax credit carryforward | $ 875 | $ 832 |
| Regulatory liabilities | 358 | 306 |
| Operating lease liabilities | 115 | 129 |
| Rate refund | 10 | 59 |
| NOL and tax credit valuation allowances | (68) | (57) |
| Other employee benefits | 28 | 31 |
| Deferred ITCs | 4 | 4 |
| Other | 48 | 37 |
| Total deferred tax assets | $ 1,370 | $ 1,341 |
| Net deferred tax liability | $ 2,238 | $ 1,992 |

(a) Prior periods have been reclassified to conform to current year presentation.

**Other Income Tax Matters** — NOL amounts represent the tax loss that is carried forward and tax credits represent the deferred tax asset. NOL and tax credit carryforwards as of Dec. 31 were as follows:

| (Millions of Dollars) | 2024 | 2023 |
|---|---|---|
| Federal tax credit carryforwards | $ 815 | $ 777 |
| Valuation allowances for federal credit carryforwards | (11) | (5) |
| State NOL carryforwards | — | 1 |
| State tax credit carryforwards, net of federal detriment [a] | 60 | 55 |
| Valuation allowances for state credit carryforwards, net of federal benefit [b] | (57) | (52) |

(a) State tax credit carryforwards are net of federal detriment of $16 million and $15 million as of Dec. 31, 2024 and 2023, respectively.

(b) Valuation allowances for state tax credit carryforwards were net of federal benefit of $15 million and $14 million as of Dec. 31, 2024 and 2023, respectively.

Federal carryforward periods expire between 2038 and 2044. State carryforward periods, not including those with indefinite carryforward periods, expire between 2025 and 2036.

**Unrecognized Tax Benefits**

***Federal Audit*** — NSP-Minnesota is a member of the Xcel Energy affiliated group that files a consolidated federal income tax return. Statute of limitations applicable to Xcel Energy's consolidated federal income tax returns expire as follows:

| Tax Year(s) | Expiration |
|---|---|
| 2014 - 2016 | March 2025 |
| 2021 | October 2025 |

Additionally, the statute of limitations related to the federal tax credit carryforwards will remain open until those credits are utilized in subsequent returns. Further, the statute of limitations related to the additional federal tax loss carryback claim filed in 2020 has been extended. In 2023 the IRS issued its Revenue Agent's Report related to the federal tax loss carryback claim. The Company materially agreed with the report and re-recognized the related benefit in 2023.

***State Audits*** — NSP-Minnesota is a member of the Xcel Energy affiliated group that files consolidated state tax returns based on income in its major operating jurisdictions and various other state income-based tax returns. As of Dec. 31, 2024, NSP-Minnesota's earliest open tax years (subject to examination by state taxing authorities in its major operating jurisdictions) were as follows:

| State | Tax Year(s) | Expiration |
|---|---|---|
| Minnesota | 2014-2016 | September 2025 |
| Minnesota | 2020 | June 2025 |

There are currently no state income tax audits in progress.

Unrecognized tax benefit balance may include permanent tax positions, which if recognized would affect the ETR. In addition, the unrecognized tax benefit balance may include temporary tax positions for which deductibility is highly certain, but for which there is uncertainty about the timing. A change in the period of deductibility would not affect the ETR but would accelerate the payment to the taxing authority.

Unrecognized tax benefits - permanent vs temporary:

| (Millions of Dollars) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| Unrecognized tax benefit — Permanent tax positions | $ 20 | $ 18 |
| Unrecognized tax benefit — Temporary tax positions | — | — |
| Total unrecognized tax benefit | $ 20 | $ 18 |

Changes in unrecognized tax benefits:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Balance at Jan. 1 | $ 18 | $ 34 | $ 26 |
| Additions based on tax positions related to the current year | 3 | 2 | 2 |
| Additions for tax positions of prior years | — | 1 | 6 |
| Reductions for tax positions of prior years | (1) | (18) | — |
| Reductions for tax positions related to settlements with taxing authorities | — | (1) | — |
| Balance at Dec. 31 | $ 20 | $ 18 | $ 34 |

Unrecognized tax benefits were reduced by tax benefits associated with NOL and tax credit carryforwards:

| (Millions of Dollars) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| NOL and tax credit carryforwards | $ (17) | $ (18) |

There exists approximately $20 million of noncurrent liabilities related to unrecognized tax benefits for which there is uncertainty about if or when these liabilities will significantly increase or decrease.

Payable for interest related to unrecognized tax benefits is partially offset by the interest benefit associated with NOL and tax credit carryforwards.

Interest payable related to unrecognized tax benefits:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Receivable (payable) for interest related to unrecognized tax benefits at Jan. 1 | $ 1 | $ (3) | $ (2) |
| Interest (expense) benefit related to unrecognized tax benefits | (1) | 4 | (1) |
| Receivable (payable) for interest related to unrecognized tax benefits at Dec. 31 | $ — | $ 1 | $ (3) |

No penalties were accrued related to unrecognized tax benefits as of Dec. 31, 2024, 2023 or 2022.

## 8. Fair Value of Financial Assets and Liabilities

**Fair Value Measurements**

Accounting guidance for fair value measurements and disclosures provides a hierarchical framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value.

- Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The types of assets and liabilities included in Level 1 are actively traded instruments with observable actual trading prices.
- Level 2 — Pricing inputs are other than actual trading prices in active markets, but are either directly or indirectly observable as of the reporting date. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs.
- Level 3 — Significant inputs to pricing have little or no observability as of the reporting date. The types of assets and liabilities included in Level 3 include those valued with models requiring significant judgment or estimation.

Specific valuation methods include:

***Investments in equity securities and other funds*** — Equity securities are valued using quoted prices in active markets. The fair values for commingled funds are measured using NAVs. The investments in commingled funds may be redeemed for NAV with proper notice. Private equity commingled funds require approval of the fund for any unscheduled redemption, and such redemptions may be approved or denied by the fund at its sole discretion. Unscheduled distributions from real estate commingled funds may be redeemed with proper notice, however, withdrawals may be delayed or discounted as a result of fund illiquidity.

***Investments in debt securities*** — Fair values for debt securities are determined by a third party pricing service using recent trades and observable spreads from benchmark interest rates for similar securities.

***Interest rate derivatives*** — Fair values of interest rate derivatives are based on broker quotes that utilize current market interest rate forecasts.

***Commodity derivatives*** — Methods used to measure the fair value of commodity derivative forwards and options utilize forward prices and volatilities, as well as pricing adjustments for specific delivery locations, and are generally assigned a Level 2 classification. When contracts relate to inactive delivery locations or extend to periods beyond those readily observable on active exchanges, the significance of the use of less observable inputs on a valuation is evaluated and may result in Level 3 classification.

Electric commodity derivatives held by NSP-Minnesota include transmission congestion instruments, generally referred to as FTRs. FTRs purchased from an RTO are financial instruments that entitle or obligate the holder to monthly revenues or charges based on transmission congestion across a given transmission path.

The values of these instruments are derived from, and designed to offset, the costs of transmission congestion. In addition to overall transmission load, congestion is also influenced by the operating schedules of power plants and the consumption of electricity pertinent to a given transmission path. Unplanned plant outages, scheduled plant maintenance, changes in the relative costs of fuels used in generation, weather and overall changes in demand for electricity can each impact the operating schedules of the power plants on the transmission grid and the value of these instruments. FTRs are recognized at fair value and adjusted each period prior to settlement. Given the limited observability of certain variables underlying the reported auction values of FTRs, these fair value measurements have been assigned a Level 3 classification.

Net congestion costs, including the impact of FTR settlements are shared through fuel and purchased energy cost recovery mechanisms. As such, the fair value of the unsettled instruments (i.e., derivative asset or liability) is offset/deferred as a regulatory asset or liability.

**Non-Derivative Fair Value Measurements**

***Nuclear Decommissioning Fund***

The NRC requires NSP-Minnesota to maintain a portfolio of investments to fund the costs of decommissioning its nuclear generating plants. Assets of the nuclear decommissioning fund are legally restricted for the purpose of decommissioning these facilities. The fund contains cash equivalents, debt securities, equity securities and other investments. NSP-Minnesota uses the MPUC approved asset allocation for the investment targets by asset class for the qualified trust.

NSP-Minnesota recognizes the costs of funding the decommissioning over the lives of the nuclear plants, assuming rate recovery of all costs. Realized and unrealized gains on fund investments over the life of the fund are deferred as an offset of NSP-Minnesota's regulatory asset for nuclear decommissioning costs. Consequently, any realized and unrealized gains and losses on securities in the nuclear decommissioning fund are deferred as a component of the regulatory asset.

Unrealized gains for the nuclear decommissioning fund were $1.4 billion and $1.2 billion as of Dec. 31, 2024 and 2023, respectively, and unrealized losses were $49 million and $29 million as of Dec. 31, 2024 and 2023, respectively.

Non-derivative instruments with recurring fair value measurements in the nuclear decommissioning fund:

| | Dec. 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | Fair Value | | | | |
| (Millions of Dollars) | Cost | Level 1 | Level 2 | Level 3 | NAV | Total |
| Nuclear decommissioning fund [a] | | | | | | |
| Cash equivalents | $ 39 | $ 39 | $ — | $ — | $ — | $ 39 |
| Commingled funds | 703 | — | — | — | 1,025 | 1,025 |
| Debt securities | 866 | — | 832 | 14 | — | 846 |
| Equity securities | 522 | 1,583 | 1 | — | — | 1,584 |
| Total | $ 2,130 | $ 1,622 | $ 833 | $ 14 | $ 1,025 | $ 3,494 |

[a] Reported in nuclear decommissioning fund and other investments on the consolidated balance sheets, which also includes $54 million of other miscellaneous investments.

| | Dec. 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | | Fair Value | | | | |
| (Millions of Dollars) | Cost | Level 1 | Level 2 | Level 3 | NAV | Total |
| Nuclear decommissioning fund [a] | | | | | | |
| Cash equivalents | $ 41 | $ 41 | $ — | $ — | $ — | $ 41 |
| Commingled funds | 721 | — | — | — | 1,049 | 1,049 |
| Debt securities | 784 | — | 771 | 9 | — | 780 |
| Equity securities | 508 | 1,339 | 2 | — | — | 1,341 |
| Total | $ 2,054 | $ 1,380 | $ 773 | $ 9 | $ 1,049 | $ 3,211 |

[a] Reported in nuclear decommissioning fund and other investments on the consolidated balance sheets, which also includes $51 million of other miscellaneous investments.

For the years ended Dec. 31, 2024 and 2023, there were immaterial Level 3 nuclear decommissioning fund investments or transfer of amounts between levels.

Contractual maturity dates of debt securities in the nuclear decommissioning fund as of Dec. 31, 2024:

| | Final Contractual Maturity | | | | |
|---|---|---|---|---|---|
| (Millions of Dollars) | Due in 1 Year or Less | Due in 1 to 5 Years | Due in 5 to 10 Years | Due after 10 Years | Total |
| Debt securities | $ 7 | $ 308 | $ 269 | $ 262 | $ 846 |

**Derivative Activities and Fair Value Measurements**

NSP-Minnesota enters into derivative instruments, including forward contracts, futures, swaps and options, for trading purposes and to manage risk in connection with changes in interest rates and utility commodity prices.

***Interest Rate Derivatives*** — NSP-Minnesota enters into contracts that effectively fix the interest rate on a specified principal amount of a hypothetical future debt issuance. These financial swaps net settle based on changes in a specified benchmark interest rate, acting as a hedge of changes in market interest rates that will impact specified anticipated debt issuances. These derivative instruments are designated as cash flow hedges for accounting purposes, with changes in fair value prior to occurrence of the hedged transactions recorded as other comprehensive income.

As of Dec. 31, 2024, accumulated other comprehensive loss related to interest rate derivatives included immaterial of net losses expected to be reclassified into earnings during the next 12 months as the hedged transactions impact earnings. As of Dec. 31, 2024, NSP-Minnesota had no unsettled interest rate swaps outstanding.

See Note 11 for the financial impact of qualifying interest rate cash flow hedges on NSP-Minnesota's accumulated other comprehensive loss included in the consolidated statements of common stockholder's equity and in the consolidated statements of comprehensive income.

***Wholesale and Commodity Trading*** — NSP-Minnesota conducts various wholesale and commodity trading activities, including the purchase and sale of electric capacity, energy, energy-related instruments and natural gas-related instruments, including derivatives. NSP-Minnesota is allowed to conduct these activities within guidelines and limitations as approved by its risk management committee, comprised of management personnel not directly involved in the activities governed by this policy.

Results of derivative instrument transactions entered into for trading purposes are presented in the consolidated statements of income as electric revenues, net of any sharing with customers. These activities are not intended to mitigate commodity price risk associated with regulated electric and natural gas operations. Sharing of these margins is determined through state regulatory proceedings as well as the operation of the FERC-approved joint operating agreement.

***Commodity Derivatives*** — NSP-Minnesota enters into derivative instruments to manage variability of future cash flows from changes in commodity prices in its electric and natural gas operations. This could include the purchase or sale of energy or energy-related products, natural gas to generate electric energy, natural gas for resale and FTRs.

The most significant derivative positions outstanding at Dec. 31, 2024 and 2023 for this purpose relate to FTR instruments administered by MISO. These instruments are intended to offset the impacts of transmission system congestion.

When NSP-Minnesota enters into derivative instruments that mitigate commodity price risk on behalf of electric and natural gas customers, the instruments are not typically designated as qualifying hedging transactions. The classification of unrealized losses or gains on these instruments as a regulatory asset or liability, if applicable, is based on approved regulatory recovery mechanisms. As of Dec. 31, 2024, NSP-Minnesota had no commodity contracts designated as cash flow hedges.

Gross notional amounts of commodity forwards, options and FTRs:

| (Amounts in Millions) [a][b] | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| MWh of electricity | 31 | 38 |
| MMBtu of natural gas | 57 | 64 |

(a) Not reflective of net positions in the underlying commodities.
(b) Notional amounts for options included on a gross basis, but are weighted for the probability of exercise.

***Consideration of Credit Risk and Concentrations*** — NSP-Minnesota continuously monitors the creditworthiness of counterparties to its interest rate derivatives and commodity derivative contracts prior to settlement and assesses each counterparty's ability to perform on the transactions set forth in the contracts. Impact of credit risk was immaterial to the fair value of unsettled commodity derivatives presented on the consolidated balance sheets. NSP-Minnesota often has significant concentrations of credit risk with particular entities or industries in its wholesale, trading and non-trading commodity activities.

As of Dec. 31, 2024, six of NSP-Minnesota's ten most significant counterparties for these activities, comprising $20 million or 22% of this credit exposure, had investment grade credit ratings from S&P Global Ratings, Moody's Investor Services or Fitch Ratings.

One of the ten most significant counterparties, comprising $27 million or 29% of this credit exposure, were not rated by these external ratings agencies, but based on NSP-Minnesota's internal analysis, had credit quality consistent with investment grade.

Three of these significant counterparties, comprising $43 million or 47% of this credit exposure, had credit quality less than investment grade, based on internal analysis.

Three of these significant counterparties are municipal or cooperative electric entities, RTOs or other utilities.

***Credit Related Contingent Features*** — Contract provisions for derivative instruments that NSP-Minnesota enters into, including those accounted for as normal purchase and normal sale contracts and therefore not reflected on the consolidated balance sheets, may require the posting of collateral or settlement of the contracts for various reasons, including if the applicable utility subsidiary's credit ratings are downgraded below its investment grade credit rating by any of the major credit rating agencies. As of Dec. 31, 2024 and 2023, there were $11 million and $12 million, respectively, of derivative liabilities with such underlying contract provisions, respectively.

Certain contracts also contain cross default provisions that may require the posting of collateral or settlement of the contracts if there was a failure under other financing arrangements related to payment terms or other covenants.

As of Dec. 31, 2024 and 2023, there were approximately $63 million and $80 million of derivative liabilities with such underlying contract provisions, respectively.

Certain derivative instruments are also subject to contract provisions that contain adequate assurance clauses. These provisions allow counterparties to seek performance assurance, including cash collateral, in the event that a given utility subsidiary's ability to fulfill its contractual obligations is reasonably expected to be impaired. NSP-Minnesota had no collateral posted related to adequate assurance clauses in derivative contracts as of Dec. 31, 2024 and 2023.

***Recurring Derivative Fair Value Measurements***

Impact of derivative activity:

| | Pre-Tax Fair Value Gains (Losses) Recognized During the Period in: | |
|---|---|---|
| (Millions of Dollars) | Accumulated Other Comprehensive Loss | Regulatory (Assets) and Liabilities |
| **Year Ended Dec. 31, 2024** | | |
| **Derivatives designated as cash flow hedges** | | |
| Interest rate | $ 16 | $ — |
| Total | $ 16 | $ — |
| **Other derivative instruments** | | |
| Electric commodity | $ — | $ (18) |
| Natural gas commodity | — | 2 |
| Total | $ — | $ (16) |
| **Year Ended Dec. 31, 2023** | | |
| **Derivatives designated as cash flow hedges** | | |
| Interest rate | $ (3) | $ — |
| Total | $ (3) | $ — |
| **Other derivative instruments** | | |
| Electric commodity | $ — | $ (48) |
| Natural gas commodity | — | (1) |
| Total | $ — | $ (49) |
| **Year Ended Dec. 31, 2022** | | |
| **Other derivative instruments** | | |
| Electric commodity | $ — | $ (7) |
| Total | $ — | $ (7) |

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| (Millions of Dollars) | Pre-Tax (Gains) Losses Reclassified into Income During the Period from: Accumulated Other Comprehensive Loss | Pre-Tax (Gains) Losses Reclassified into Income During the Period from: Regulatory Assets and (Liabilities) | Pre-Tax Gains (Losses) Recognized During the Period in Income |
|---|---|---|---|
| **Year Ended Dec. 31, 2024** | | | |
| **Derivatives designated as cash flow hedges** | | | |
| Interest rate | $ 1 [(a)] | $ — | $ — |
| **Total** | $ 1 | $ — | $ — |
| **Other derivative instruments** | | | |
| Commodity trading | $ — | $ — | $ (10) [(b)] |
| Electric commodity | — | 21 [(c)] | — |
| Natural gas commodity | — | — | (7) [(d)(e)] |
| **Total** | $ — | $ 21 | $ (17) |
| **Year Ended Dec. 31, 2023** | | | |
| **Derivatives designated as cash flow hedges** | | | |
| Interest rate | $ 1 [(a)] | $ — | $ — |
| **Total** | $ 1 | $ — | $ — |
| **Other derivative instruments** | | | |
| Commodity trading | $ — | $ — | $ (2) [(b)] |
| Electric commodity | — | 45 [(c)] | — |
| Natural gas commodity | — | — | (8) [(d)(e)] |
| **Total** | $ — | $ 45 | $ (10) |
| **Year Ended Dec. 31, 2022** | | | |
| **Derivatives designated as cash flow hedges** | | | |
| Interest rate | $ 1 [(a)] | $ — | $ — |
| **Total** | $ 1 | $ — | $ — |
| **Other derivative instruments** | | | |
| Commodity trading | $ — | $ — | $ 17 [(b)] |
| Electric commodity | $ — | $ 1 [(c)] | $ — |
| Natural gas commodity | — | 2 [(d)] | (8) [(d)(e)] |
| **Total** | $ — | $ 3 | $ 9 |

(a) Recorded to interest charges.
(b) Recorded to electric revenues. Presented amounts do not reflect non-derivative transactions or margin sharing with customers.
(c) Recorded to electric fuel and purchased power. These derivative settlement gains and losses are shared with electric customers through fuel and purchased energy cost-recovery mechanisms and reclassified out of income as regulatory assets or liabilities, as appropriate. FTR settlements are shared with customers and do not have a material impact on net income. Presented amounts reflect changes in fair value between FTR auction and settlement dates, but exclude the original auction fair value.
(d) Recorded to cost of natural gas sold and transported. These losses are subject to cost-recovery mechanisms and reclassified out of income to a regulatory asset, as appropriate.
(e) Relates primarily to option premium amortization.

NSP-Minnesota had no derivative instruments designated as fair value hedges during the years ended Dec. 31, 2024, 2023 and 2022.

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Derivative assets and liabilities measured at fair value on a recurring basis were as follows:

| | Dec. 31, 2024 | | | | | | Dec. 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair Value | | | | | | Fair Value | | | | | |
| (Millions of Dollars) | Level 1 | Level 2 | Level 3 | Fair Value Total | Netting [a] | Total | Level 1 | Level 2 | Level 3 | Fair Value Total | Netting [a] | Total |
| **Current derivative assets** | | | | | | | | | | | | |
| Other derivative instruments: | | | | | | | | | | | | |
| Commodity trading | $ 5 | $ 20 | $ 8 | $ 33 | $ (22) | $ 11 | $ 7 | $ 32 | $ 32 | $ 71 | $ (42) | $ 29 |
| Electric commodity | — | — | 23 | 23 | (2) | 21 | — | — | 23 | 23 | (7) | 16 |
| Natural gas commodity | — | 4 | — | 4 | — | 4 | — | 5 | — | 5 | — | 5 |
| Total current derivative assets | $ 5 | $ 24 | $ 31 | $ 60 | $ (24) | $ 36 | $ 7 | $ 37 | $ 55 | $ 99 | $ (49) | $ 50 |
| **Noncurrent derivative assets** | | | | | | | | | | | | |
| Other derivative instruments: | | | | | | | | | | | | |
| Commodity trading | $ 3 | $ 33 | $ 47 | $ 83 | $ (16) | $ 67 | $ 7 | $ 43 | $ 45 | $ 95 | $ (34) | $ 61 |
| Total noncurrent derivative assets | $ 3 | $ 33 | $ 47 | $ 83 | $ (16) | $ 67 | $ 7 | $ 43 | $ 45 | $ 95 | $ (34) | $ 61 |

| | Dec. 31, 2024 | | | | | | Dec. 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair Value | | | | | | Fair Value | | | | | |
| (Millions of Dollars) | Level 1 | Level 2 | Level 3 | Fair Value Total | Netting [a] | Total | Level 1 | Level 2 | Level 3 | Fair Value Total | Netting [a] | Total |
| **Current derivative liabilities** | | | | | | | | | | | | |
| Derivatives designated as cash flow hedges: | | | | | | | | | | | | |
| Interest rate | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ 7 | $ — | $ 7 | $ — | $ 7 |
| Other derivative instruments: | | | | | | | | | | | | |
| Commodity trading | 6 | 35 | 5 | 46 | (22) | 24 | 6 | 60 | 5 | 71 | (43) | 28 |
| Electric commodity | — | — | 1 | 1 | (1) | — | — | — | 7 | 7 | (7) | — |
| Natural gas commodity | — | 1 | — | 1 | — | 1 | — | 3 | — | 3 | — | 3 |
| Total current derivative liabilities | $ 6 | $ 36 | $ 6 | $ 48 | $ (23) | 25 | $ 6 | $ 70 | $ 12 | $ 88 | $ (50) | 38 |
| PPAs [b] | | | | | | 6 | | | | | | 6 |
| Current derivative instruments | | | | | | $ 31 | | | | | | $ 44 |
| **Noncurrent derivative liabilities** | | | | | | | | | | | | |
| Other derivative instruments: | | | | | | | | | | | | |
| Commodity trading | $ 9 | $ 30 | $ 40 | $ 79 | $ (18) | $ 61 | $ 14 | $ 49 | $ 37 | $ 100 | $ (36) | $ 64 |
| Total noncurrent derivative liabilities | $ 9 | $ 30 | $ 40 | $ 79 | $ (18) | 61 | $ 14 | $ 49 | $ 37 | $ 100 | $ (36) | 64 |
| PPAs [b] | | | | | | 16 | | | | | | 22 |
| Noncurrent derivative instruments | | | | | | $ 77 | | | | | | $ 86 |

[a] NSP-Minnesota nets derivative instruments and related collateral on its consolidated balance sheets when supported by a legally enforceable master netting agreement. At Dec. 31, 2024 and 2023, derivative assets and liabilities include no obligations to return cash collateral. At Dec. 31, 2024 and 2023, derivative assets and liabilities include rights to reclaim cash collateral of $1 million and $3 million, respectively. Counterparty netting amounts presented exclude settlement receivables and payables and non-derivative amounts that may be subject to the same master netting agreements.

[b] NSP-Minnesota currently applies the normal purchase exception to qualifying PPAs. Balance relates to specific contracts that were previously recognized at fair value prior to applying the normal purchase exception, and are being amortized over the remaining contract lives along with the offsetting regulatory assets and liabilities.

Changes in Level 3 commodity derivatives:

| (Millions of Dollars) | Year Ended Dec. 31 2024 | 2023 | 2022 |
|---|---|---|---|
| Balance at Jan. 1 | $ 51 | $ 107 | $ 56 |
| Purchases [a] | 72 | 98 | 157 |
| Settlements [a] | (61) | (65) | (195) |
| Net transactions recorded during the period: | | | |
| (Losses) gains recognized in earnings [b] | (9) | 15 | 91 |
| Net losses recognized as regulatory assets and liabilities [a] | (21) | (104) | (2) |
| Balance at Dec. 31 | $ 32 | $ 51 | $ 107 |

(a) Relates primarily to FTR instruments administered by MISO.
(b) Relates to commodity trading and is subject to substantial offsetting losses and gains on derivative instruments categorized as levels 1 and 2 in the consolidated income statement. See above tables for the income statement impact of derivative activity, including commodity trading gains and losses.

### Fair Value of Long-Term Debt

As of Dec. 31, other financial instruments for which the carrying amount did not equal fair value:

| (Millions of Dollars) | 2024 Carrying Amount | 2024 Fair Value | 2023 Carrying Amount | 2023 Fair Value |
|---|---|---|---|---|
| Long-term debt, including current portion | $ 7,857 | $ 6,755 | $ 7,330 | $ 6,561 |
| Long-term debt - related parties | 166 | 99 | — | — |

Fair value of NSP-Minnesota's long-term debt is estimated based on recent trades and observable spreads from benchmark interest rates for similar securities. Fair value estimates are based on information available to management as of Dec. 31, 2024 and 2023, and given the observability of the inputs, fair values presented for long-term debt were assigned as Level 2.

## 9. Benefit Plans and Other Postretirement Benefits

### Pension and Postretirement Health Care Benefits

Xcel Energy, which includes NSP-Minnesota, has several noncontributory, qualified, defined benefit pension plans that cover almost all employees. All newly hired or rehired employees participate under the Cash Balance formula, which is based on pay credits using a percentage of annual eligible pay and annual interest credits.

The average annual interest crediting rates for these plans was 4.89, 4.67 and 4.86% in 2024, 2023, and 2022, respectively.

Some employees may participate under legacy formulas such as the traditional final average pay or pension equity. Xcel Energy's and NSP-Minnesota's policy is to fully fund into an external trust the actuarially determined pension costs subject to the limitations of applicable employee benefit and tax laws.

In addition to the qualified pension plans, Xcel Energy maintains a SERP and a nonqualified pension plan. The SERP is maintained for certain executives who participated in the plan in 2008, when the SERP was closed to new participants.

The nonqualified pension plan provides benefits for compensation that is in excess of the limits applicable to the qualified pension plans, with distributions funded by Xcel Energy's consolidated operating cash flows.

Obligations of the SERP and nonqualified plan as of Dec. 31, 2024 and 2023 were $13 million and $12 million, respectively, of which an immaterial amount was attributable to NSP-Minnesota.

Xcel Energy's postretirement health care benefit plan is a continuation of certain welfare benefit programs for current employees. A full-time employee's date of hire or a retiree's date of retirement determine eligibility for each of the programs.

Xcel Energy's investment-return assumption considers the expected long-term performance for each of the asset classes in its pension and postretirement health care portfolio. Xcel Energy considers the historical returns achieved by its asset portfolios over long time periods, as well as the long-term projected return levels from investment experts. Xcel Energy and NSP-Minnesota continually review their pension assumptions.

Pension cost determination assumes a forecasted mix of investment types over the long-term.

- Investment returns in 2024 were below the assumed level of 7.25%.
- Investment returns in 2023 were above the assumed level of 7.25%.
- Investment returns in 2022 were below the assumed level of 6.60%.
- In 2025, NSP-Minnesota's expected investment-return assumption is 7.25%.

Pension plan and postretirement benefit assets are invested in a portfolio according to Xcel Energy's return, liquidity and diversification objectives to provide a source of funding for plan obligations and minimize contributions to the plan, within appropriate levels of risk. The principal mechanism for achieving these objectives is the asset allocation given the long-term risk, return, correlation and liquidity characteristics of each particular asset class. There were no significant concentrations of risk in any industry, index, or entity. Market volatility can impact even well-diversified portfolios and significantly affect the return levels achieved by the assets in any year.

Xcel Energy's ongoing investment strategy is based on plan-specific investment recommendations that seek to minimize potential investment and interest rate risk as a plan's funded status increases over time. The investment recommendations consider many factors and generally result in a greater percentage of long-duration fixed income securities being allocated to specific plans having relatively higher funded status ratios and a greater percentage of growth assets being allocated to plans having relatively lower funded status ratios.

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**Plan Assets**

For each of the fair value hierarchy levels, NSP-Minnesota's pension plan assets measured at fair value:

| | Dec. 31, 2024 [a] | | | | | Dec. 31, 2023 [a] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (Millions of Dollars) | Level 1 | Level 2 | Level 3 | Measured at NAV | Total | Level 1 | Level 2 | Level 3 | Measured at NAV | Total |
| Cash equivalents | $ 24 | $ — | $ — | $ — | $ 24 | $ 46 | $ — | $ — | $ — | $ 46 |
| Commingled funds | — | — | — | 373 | 373 | 110 | — | — | 265 | 375 |
| Debt securities | — | 123 | 1 | — | 124 | — | 127 | 1 | — | 128 |
| Equity securities | 6 | — | — | — | 6 | 8 | — | — | — | 8 |
| Other | — | 1 | — | — | 1 | — | 5 | — | — | 5 |
| Total | $ 30 | $ 124 | $ 1 | $ 373 | $ 528 | $ 164 | $ 132 | $ 1 | $ 265 | $ 562 |

[a] See Note 8 for further information regarding fair value measurement inputs and methods.

For each of the fair value hierarchy levels, NSP-Minnesota's postretirement benefit plan assets that were measured at fair value:

| | Dec. 31, 2024 [a] | | | | | Dec. 31, 2023 [a] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (Millions of Dollars) | Level 1 | Level 2 | Level 3 | Measured at NAV | Total | Level 1 | Level 2 | Level 3 | Measured at NAV | Total |
| Commingled funds | $ — | $ — | $ — | $ 1 | $ 1 | $ — | $ — | $ — | $ 1 | $ 1 |
| Debt securities | — | 1 | — | — | 1 | — | 2 | — | — | 2 |
| Total | $ — | $ 1 | $ — | $ 1 | $ 2 | $ — | $ 2 | $ — | $ 1 | $ 3 |

[a] See Note 8 for further information on fair value measurement inputs and methods.

Immaterial assets were transferred in or out of Level 3 for 2024. No assets were transferred in or out of Level 3 for 2023.

**Funded Status** — Comparisons of the actuarially computed benefit obligation, changes in plan assets and funded status of the pension and postretirement health care plans for NSP-Minnesota are as follows:

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| (Millions of Dollars) | 2024 | 2023 | 2024 | 2023 |
| **Change in Benefit Obligation:** | | | | |
| Obligation at Jan. 1 | $ 660 | $ 657 | $ 42 | $ 48 |
| Service cost | 22 | 21 | 1 | — |
| Interest cost | 34 | 36 | 2 | 3 |
| Plan amendments | — | (1) | — | — |
| Actuarial (gain) loss | (22) | 30 | 1 | (2) |
| Benefit payments | (82) | (83) | (5) | (7) |
| Obligation at Dec. 31 | $ 612 | $ 660 | $ 41 | $ 42 |
| **Change in Fair Value of Plan Assets:** | | | | |
| Fair value of plan assets at Jan. 1 | $ 562 | $ 570 | $ 3 | $ 5 |
| Actual return on plan assets | 7 | 52 | — | — |
| Employer contributions | 41 | 23 | 4 | 5 |
| Benefit payments | (82) | (83) | (5) | (7) |
| Fair value of plan assets at Dec. 31 | $ 528 | $ 562 | $ 2 | $ 3 |
| Funded status of plans at Dec. 31 | $ (84) | $ (98) | $ (39) | $ (39) |
| **Amounts recognized in the Consolidated Balance Sheet at Dec. 31:** | | | | |
| Current liabilities | $ — | $ — | $ (3) | $ (2) |
| Noncurrent liabilities | (84) | (98) | (36) | (37) |
| Net amounts recognized | $ (84) | $ (98) | $ (39) | $ (39) |

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| **Significant Assumptions Used to Measure Benefit Obligations:** | 2024 | 2023 | 2024 | 2023 |
| Discount rate for year-end valuation | 5.88 % | 5.49 % | 5.88 % | 5.54 % |
| Expected average long-term increase in compensation level | 4.25 % | 4.25 % | N/A | N/A |
| Mortality table | PRI-2012 | PRI-2012 | PRI-2012 | PRI-2012 |
| Health care costs trend rate — initial: Pre-65 | N/A | N/A | 7.00 % | 6.50 % |
| Health care costs trend rate — initial: Post-65 | N/A | N/A | 7.50 % | 5.50 % |
| Ultimate trend assumption — initial: Pre-65 | N/A | N/A | 4.50 % | 4.50 % |
| Ultimate trend assumption — initial: Post-65 | N/A | N/A | 4.50 % | 4.50 % |
| Years until ultimate trend is reached | N/A | N/A | 9 | 6 |

Accumulated benefit obligation for the pension plan was $557 million and $599 million as of Dec. 31, 2024 and 2023, respectively.

**Net Periodic Benefit Cost (Credit) —** Net periodic benefit cost (credit), other than the service cost component, is included in other income (expense) in the consolidated statements of income.

Components of net periodic benefit cost (credit) and amounts recognized in other comprehensive income and regulatory assets and liabilities:

| | Pension Benefits | | | Postretirement Benefits | | |
|---|---|---|---|---|---|---|
| (Millions of Dollars) | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Service cost | $ 22 | $ 21 | $ 27 | $ 1 | $ — | $ — |
| Interest cost | 34 | 36 | 25 | 2 | 3 | 2 |
| Expected return on plan assets | (46) | (46) | (48) | — | — | — |
| Amortization of prior service cost | — | — | — | — | (1) | (3) |
| Amortization of net loss | 13 | 11 | 24 | — | — | 1 |
| Settlement charge [(a)] | 37 | — | 38 | — | — | — |
| Net periodic pension cost | 60 | 22 | 66 | 3 | 2 | — |
| Effects of regulation | (30) | 16 | (32) | — | — | — |
| Net benefit cost recognized for financial reporting | $ 30 | $ 38 | $ 34 | $ 3 | $ 2 | $ — |
| **Significant Assumptions Used to Measure Costs:** | | | | | | |
| Discount rate | 5.49 % | 5.80 % | 3.08 % | 5.54 % | 5.80 % | 3.09 % |
| Expected average long-term increase in compensation level | 4.25 | 4.25 | 3.75 | — | — | — |
| Expected average long-term rate of return on assets | 7.25 | 7.25 | 6.60 | 5.00 | 5.00 | 4.10 |

(a) A settlement charge is required when the amount of lump-sum distributions during the year is greater than the sum of the service and interest cost components of the annual net periodic pension cost. In 2024 and 2022, as a result of lump-sum distributions during each plan year, NSP-Minnesota recorded a total pension settlement charge of $37 million and $38 million, respectively, which was not recognized in earnings due to the effects of regulation. There were no settlement charges recorded for the qualified pension plans in 2023.

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| (Millions of Dollars) | 2024 | 2023 | 2024 | 2023 |
| **Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost:** | | | | |
| Net loss | $ 289 | $ 321 | $ 14 | $ 15 |
| Total | $ 289 | $ 321 | $ 14 | $ 15 |
| **Amounts Not Yet Recognized as Components of Net Periodic Benefit Cost Have Been Recorded as Follows Based Upon Expected Recovery in Rates:** | | | | |
| Current regulatory assets | $ 14 | $ 11 | $ — | $ — |
| Noncurrent regulatory assets | 275 | 310 | 13 | 14 |
| Net-of-tax accumulated other comprehensive income | — | — | 1 | 1 |
| Total | $ 289 | $ 321 | $ 14 | $ 15 |
| Measurement date | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2024 | Dec 31, 2023 |

**Cash Flows —** Funding requirements can be impacted by changes to actuarial assumptions, actual asset levels and other calculations prescribed by the requirements of income tax and other pension-related regulations. Required contributions were made in 2022 - 2025 to meet minimum funding requirements.

Total voluntary and required pension funding contributions across all four of Xcel Energy's pension plans were as follows:

- $125 million in January 2025, of which $54 million is attributable to NSP-Minnesota.
- $100 million in 2024, of which $41 million was attributable to NSP-Minnesota.
- $50 million in 2023, of which $23 million was attributable to NSP-Minnesota.
- $50 million in 2022, of which $5 million was attributable to NSP-Minnesota.

The postretirement health care plans have no funding requirements other than fulfilling benefit payment obligations when claims are presented and approved. Additional cash funding requirements are prescribed by certain state and federal rate regulatory authorities. Xcel Energy's voluntary postretirement funding contributions were as follows:

- $8 million expected in 2025, of which $5 million is attributable to NSP-Minnesota.
- $11 million during 2024, of which $4 million, was attributable to NSP-Minnesota.
- $11 million during 2023, of which $5 million was attributable to NSP-Minnesota.
- $13 million during 2022, of which $7 million was attributable to NSP-Minnesota.

Targeted asset allocations:

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Long-duration fixed income and interest rate swap securities | 38 % | 38 % | — % | — % |
| Domestic and international equity securities | 31 | 31 | 25 | 9 |
| Alternative investments | 20 | 20 | 11 | 13 |
| Short-to-intermediate fixed income securities | 9 | 9 | 61 | 77 |
| Cash | 2 | 2 | 3 | 1 |
| Total | 100 % | 100 % | 100 % | 100 % |

The asset allocations above reflect target allocations approved in the calendar year to take effect in the subsequent year.

**Plan Amendments** — There were no significant plan amendments made in 2024 and 2022 which affected the pension or postretirement benefit obligation.

In 2023, Xcel Energy amended the Xcel Energy Pension Plan and Xcel Energy Inc. Nonbargaining Pension Plan (South) to reduce supplemental social security benefits for all active participants on and after Jan. 1, 2024.

### Projected Benefit Payments

NSP-Minnesota's projected benefit payments:

| (Millions of Dollars) | Projected Pension Benefit Payments | Net Projected Postretirement Health Care Benefit Payments [a] |
|---|---|---|
| 2025 | $ 63 | $ 5 |
| 2026 | $ 59 | $ 5 |
| 2027 | 58 | 4 |
| 2028 | 56 | 4 |
| 2029 | 57 | 4 |
| 2030-2034 | 269 | 15 |

[a] Amount is reported net of expected Medicare Part D subsidies, which are immaterial.

### Voluntary Retirement Program

Incremental to amounts presented above for postretirement benefits, Xcel Energy, which includes NSP-Minnesota, recognized new postemployment costs and obligations in the fourth quarter of 2023 for employees accepted to a voluntary retirement program.

Utilizing employee information and the following inputs, unfunded obligations of $7 million and $8 million for health plan subsidies and $1 million and $1 million for other medical benefits are presented in other current liabilities and noncurrent pension and employee benefit obligations in the consolidated balance sheets as of Dec. 31, 2024 and 2023, respectively.

| Significant Assumptions to Measure Benefit Obligations: | 2024 | 2023 |
|---|---|---|
| Discount rate for year-end valuation | 5.00 % | 5.50 % |
| Mortality table | PRI-2012 | PRI-2012 |
| Health care costs trend rate | 7.00 % | 7.00 % |
| Ultimate trend assumption | 4.50 % | N/A |
| Years until ultimate trend is reached | 9 | N/A |

### Defined Contribution Plans

Xcel Energy, which includes NSP-Minnesota, maintains 401(k) and other defined contribution plans that cover most employees. The expense to these plans for NSP-Minnesota was approximately $14 million, $14 million, and $13 million in 2024, 2023 and 2022, respectively.

### Multiemployer Plans

NSP-Minnesota contributes to several union multiemployer pension and other postretirement benefit plans, none of which are individually significant. These plans provide pension and postretirement health care benefits to certain union employees who may perform services for multiple employers and do not participate in the NSP-Minnesota sponsored pension and postretirement health care plans. Contributing to these types of plans creates risk that differs from providing benefits under NSP-Minnesota sponsored plans, in that if another participating employer ceases to contribute to a multiemployer pension plan, additional unfunded obligations may need to be funded over time by remaining participating employers.

## 10. Commitments and Contingencies

### Legal

NSP-Minnesota is involved in various litigation matters in the ordinary course of business. The assessment of whether a loss is probable or is a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. Management maintains accruals for losses probable of being incurred and subject to reasonable estimation.

Management is sometimes unable to estimate an amount or range of a reasonably possible loss in certain situations, including but not limited to when (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories.

In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including a possible eventual loss. For current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, would have a material effect on NSP-Minnesota's consolidated financial statements. Legal fees are generally expensed as incurred.

### Rate Matters and Other

NSP-Minnesota is involved in various regulatory proceedings arising in the ordinary course of business. Until resolution, typically in the form of a rate order, uncertainties may exist regarding the ultimate rate treatment for certain activities and transactions. Amounts have been recognized for probable and reasonably estimable losses that may result. Unless otherwise disclosed, any reasonably possible range of loss in excess of any recognized amount is not expected to have a material effect on the consolidated financial statements.

***Sherco*** — In 2018, NSP-Minnesota and SMMPA (Co-owner of Sherco Unit 3) reached a settlement with GE related to a 2011 incident, which damaged the turbine at Sherco Unit 3 and resulted in an extended outage. NSP-Minnesota notified the MPUC of its proposal to refund settlement proceeds to customers through the FCA.

In March 2019, the MPUC approved NSP-Minnesota's settlement refund proposal. Additionally, the MPUC decided to withhold any decision as to NSP-Minnesota's prudence in connection with the incident at Sherco Unit 3 until after conclusion of an appeal pending between GE and NSP-Minnesota's insurers. In February 2020, the Minnesota Court of Appeals affirmed the district court's judgment in favor of GE.

In July 2022, the MPUC referred the matter to the Office of Administrative Hearings to conduct a contested case on the prudence of the replacement power costs incurred by NSP-Minnesota.

In May 2024, the ALJ recommended a customer refund of $34 million (less a portion of the proceeds received from the settlement with GE). The ALJ indicated that consideration of the $22 million of previously disallowed costs was not in the scope of their recommendation. In 2024, following contested case procedures, the NSP-Minnesota recognized a customer refund of $47 million for replacement power incurred during the outage.

***Minnesota 2023 Fuel Clause Adjustment*** — In March 2024, NSP-Minnesota filed its annual FCA true-up petition to the MPUC.

In 2024, the DOC recommended customer refunds for 2023 replacement power costs incurred during an outage at the Prairie Island generating station (October 2023 through February 2024). NSP-Minnesota estimates that customer refunds would be approximately $22 million if the DOC recommendations are applied to both 2023 and 2024.

In September 2024, the MPUC ruled NSP-Minnesota was imprudent in the operation of the Prairie Island nuclear plant based on an incident that resulted in the extended outage. The MPUC did not quantify the refund and referred the determination of the refund amount to the Office of Administrative Hearings. NSP-Minnesota has recorded an estimated liability for a customer refund. The procedural schedule is as follows:

- Xcel Energy testimony: May 1, 2025
- Intervenor direct testimony: July 2, 2025
- Rebuttal testimony: August 13, 2025
- ALJ Report: March 16, 2026

**Environmental**

New and changing federal and state environmental mandates can create financial liabilities for NSP-Minnesota, which are normally recovered through the regulated rate process.

***Site Remediation***

Various federal and state environmental laws impose liability where hazardous substances or other regulated materials have been released to the environment. NSP-Minnesota may sometimes pay all or a portion of the cost to remediate sites where past activities of NSP-Minnesota's predecessors or other parties have caused environmental contamination.

Environmental contingencies could arise from various situations, including sites of former MGPs; and third-party sites, such as landfills, for which NSP-Minnesota is alleged to have sent wastes to that site.

***MGP, Landfill and Disposal Sites***

NSP-Minnesota is investigating, remediating or performing post-closure actions at seven MGP, landfill or other disposal sites across its service territories.

NSP-Minnesota has recognized approximately $1 million of costs/liabilities for resolution of these issues, however, the final outcome and timing are unknown. In addition, there may be insurance recovery and/or recovery from other potentially responsible parties, offsetting a portion of costs incurred.

***Environmental Requirements — Water and Waste***

*Coal Ash Regulation* — NSP-Minnesota is subject to the CCR Rule, which imposes requirements for handling, storage, treatment and disposal of coal ash and other solid waste.

In May 2024, final amendments to the CCR Rule were published, widening its scope to include legacy CCR surface impoundments at inactive facilities and previously exempt areas where CCR was placed directly on land at CCR-regulated facilities, including areas of beneficial use.

As a requirement of the CCR Rule, utilities must complete facility evaluations and groundwater sampling around their subject landfills, surface impoundments and certain other areas where coal ash was placed on land.

If certain impacts to groundwater are detected, utilities may be required to perform additional groundwater investigations and/or perform corrective actions, typically beginning with an Assessment of Corrective Measures.

NSP-Minnesota expects to incur $6 million for investigations through 2028 to perform required reporting and assess whether corrective actions are necessary. AROs have been recorded for each of these activities, and amounts are expected to be recoverable through regulatory mechanisms.

NSP-Minnesota has also identified coal ash that is expected to be required to be removed from certain closed coal-fueled generating facilities at estimated costs totaling approximately $60 million. AROs have been recorded, with the costs expected to be recoverable through regulatory mechanisms.

NSP-Minnesota continues to evaluate the 2024 updates to the CCR Rule, the interpretations of those updates and how they will apply to specific sites. Assessment of the recent updates to the CCR Rule and corresponding site investigation activities may result in updates to estimated costs as well as identification of additional required corrective actions.

*Federal Clean Water Act Section 316(b)* — The Federal Clean Water Act requires the EPA to regulate cooling water intake structures to assure they reflect the best technology available for minimizing impingement and entrainment of aquatic species.

NSP-Minnesota estimates capital expenditures of approximately $45 million may be required to comply with the requirements. NSP-Minnesota anticipates these costs will be recoverable through regulatory mechanisms.

***Environmental Requirements — Air***

*Clean Air Act NOx Allowance Allocations* — In June 2023, the EPA published final regulations under the "Good Neighbor" provisions of the Clean Air Act. The final rule applies to generation facilities in Minnesota, as well as other states outside of our service territory. The rule establishes an allowance trading program for NOx that will impact NSP-Minnesota's fossil fuel-fired electric generating facilities. Applicable facilities will have to secure additional allowances, install NOx controls and/or develop a strategy of operations that utilizes the existing allowance allocations.

While the financial impacts of the final rule are uncertain and dependent on market forces and anticipated generation, NSP-Minnesota anticipates the annual costs could be significant, but would be recoverable through regulatory mechanisms. In June 2024, the U.S. Supreme Court issued an order granting a stay of the final rule. In response, the EPA issued a nationwide an administrative stay of the rule. Depending on the outcomes of the underlying legal challenges, the regulation may become applicable in the future.

**AROs** — AROs have been recorded for NSP-Minnesota's assets. For nuclear assets, the ARO is associated with the decommissioning of NSP-Minnesota nuclear generating plants.

Aggregate fair value of NSP-Minnesota's legally restricted assets for funding future nuclear decommissioning was $3.5 billion and $3.2 billion at Dec. 31, 2024 and 2023, respectively.

NSP-Minnesota's AROs were as follows:

| (Millions of Dollars) | 2024 Jan. 1, 2024 | Amounts Incurred (a) | Amounts Settled | Accretion | Cash Flow Revisions (b) | Dec. 31, 2024 |
|---|---|---|---|---|---|---|
| **Electric** | | | | | | |
| Nuclear | $ 2,107 | $ — | $ — | $ 106 | $ 263 | $ 2,476 |
| Wind | 424 | — | — | 15 | (33) | 406 |
| Steam and other production | 77 | 61 | (6) | 4 | 3 | 139 |
| Distribution | 17 | — | — | 1 | — | 18 |
| **Natural gas** | | | | | | |
| Transmission and distribution | 32 | — | — | 2 | (1) | 33 |
| **Other** | | | | | | |
| Miscellaneous | 1 | — | — | — | — | 1 |
| Total liability | $ 2,658 | $ 61 | $ (6) | $ 128 | $ 232 | $ 3,073 |

(a) Amounts incurred pertain to CCR coal ash regulations and Sherco Solar 1 being placed in service.

(b) In 2024, AROs were revised for changes in timing and estimates of cash flows. Changes in the nuclear AROs were driven by updated assumptions in the nuclear triennial filing coupled with discount rate and escalation rate changes. Wind, steam, and other production AROs were revised due to the results of 2024 dismantling studies.

| (Millions of Dollars) | 2023 Jan. 1, 2023 | Amounts Incurred (a) | Amounts Settled | Accretion | Cash Flow Revisions (b) | Dec. 31, 2023 |
|---|---|---|---|---|---|---|
| **Electric** | | | | | | |
| Nuclear | $ 2,160 | $ — | $ — | $ 105 | $ (158) | $ 2,107 |
| Wind | 416 | 10 | — | 15 | (17) | 424 |
| Steam and other production | 75 | — | (1) | 3 | — | 77 |
| Distribution | 16 | — | — | 1 | — | 17 |
| **Natural gas** | | | | | | |
| Transmission and distribution | 59 | — | — | 2 | (29) | 32 |
| **Other** | | | | | | |
| Miscellaneous | 1 | — | — | — | — | 1 |
| Total liability | $ 2,727 | $ 10 | $ (1) | $ 126 | $ (204) | $ 2,658 |

(a) Amounts incurred relate to the Northern Wind farm placed in service.

(b) In 2023, AROs were revised for changes in timing and estimates of cash flows. Changes in wind and nuclear AROs were primarily incurred due to changes in useful lives. Changes in gas transmission and distribution AROs were changes to inflation and discount rate assumptions as well as updated mileage of gas lines and number of services.

***Indeterminate AROs*** — Outside of the recorded asbestos AROs, other plants or buildings may contain asbestos due to the age of many of NSP-Minnesota's facilities, but no confirmation or measurement of the cost of removal could be determined as of Dec. 31, 2024. Therefore, an ARO has not been recorded for these facilities.

**Nuclear Related**

***Nuclear Insurance*** — NSP-Minnesota's public liability for claims from any nuclear incident is limited to $16.3 billion under the Price-Anderson amendment to the Atomic Energy Act. NSP-Minnesota has $500 million of coverage for its public liability exposure with a pool of insurance companies. The remaining $15.8 billion of exposure is funded by the Secondary Financial Protection Program available from assessments by the federal government.

NSP-Minnesota is subject to assessments of up to $166 million per reactor-incident for each of its three reactors, for public liability arising from a nuclear incident at any licensed nuclear facility in the United States. The maximum funding requirement is $25 million per reactor-incident during any one year. Maximum assessments are subject to inflation adjustments.

NSP-Minnesota purchases insurance for property damage and site decontamination cleanup costs from NEIL and EMANI for each of NSP-Minnesota's two nuclear plant sites. The coverage limits are $2.8 billion for both Monticello and Prairie Island. NEIL also provides business interruption insurance coverage up to $490 million and $420 million at Monticello and Prairie Island, respectively, including the cost of replacement power during prolonged accidental outages of nuclear generating units. Premiums are expensed over the policy term.

All companies insured with NEIL are subject to retroactive premium adjustments if losses exceed accumulated reserve funds. Capital has been accumulated in the reserve funds of NEIL and EMANI to the extent that NSP-Minnesota would have no exposure for retroactive premium assessments in case of a single incident under the business interruption and the property damage insurance coverage. NSP-Minnesota could be subject to annual maximum assessments of $19 million for business interruption insurance and $34 million for property damage insurance if losses exceed accumulated reserve funds.

***Nuclear Fuel Disposal*** — NSP-Minnesota is responsible for temporarily storing spent nuclear fuel from its nuclear plants. The DOE is responsible for permanently storing spent fuel from U.S. nuclear plants, but no such facility is yet available.

NSP-Minnesota owns temporary on-site storage facilities for spent fuel at its Monticello and Prairie Island nuclear plants, which consist of storage pools and dry cask facilities. The Monticello dry-cask storage facility currently stores all 30 of the authorized canisters. Monticello's future spent fuel will continue to be placed in its spent fuel pool. The decommissioning plan addresses the disposition of spent fuel at the end of the licensed life. In October 2023, a CON for additional storage at the Monticello site was approved by the MPUC to support extended operations to 2040.

The Prairie Island dry-cask storage facility currently stores 52 of the 64 authorized casks. In February 2024, NSP-Minnesota filed a CON with the MPUC for additional storage at Prairie Island to support possible life extension to 2054.

***Regulatory Plant Decommissioning Recovery*** — Decommissioning activities for NSP-Minnesota's nuclear facilities are planned to begin at the end of each unit's authorized retirement dates, which can be different than the currently approved NRC operating licenses. These decommissioning activities are planned to be completed at both facilities by 2101.

NSP-Minnesota's current operating licenses allow continued use of its Monticello nuclear plant until 2050 and its Prairie Island nuclear plant until 2033 for Unit 1 and 2034 for Unit 2. NSP-Minnesota's authorized retirement dates are 2040 for Monticello, 2033 for PI Unit 1 and 2034 for PI Unit 2. In February 2025, the MPUC approved a settlement agreement which extends the retirement dates for planning purposes to 2050, 2053, and 2054 for Monticello, PI Unit 1, and PI Unit 2, respectively. Requests to update the authorized retirement dates are expected to be submitted to the MPUC in 2025.

Future decommissioning costs of nuclear facilities are estimated through triennial periodic studies that assess the costs and timing of planned nuclear decommissioning activities for each unit. The most recent triennial decommissioning study was filed in December 2024.

Obligations for decommissioning are expected to be funded 100% by the external decommissioning trust fund. NSP-Minnesota had $3.5 billion and $3.2 billion of assets held in external decommissioning trusts at Dec. 31, 2024, and 2023, respectively.

See Note 8 to the consolidated financial statements for additional discussion.

**Leases**

NSP-Minnesota evaluates contracts that may contain leases, including PPAs and arrangements for the use of office space and other facilities, vehicles and equipment. A contract contains a lease if it conveys the exclusive right to control the use of a specific asset. A contract determined to contain a lease is evaluated further to determine if the arrangement is a finance lease.

ROU assets represent NSP-Minnesota's rights to use leased assets. The present value of future operating lease payments is recognized in current and noncurrent operating lease liabilities. These amounts, adjusted for any prepayments or incentives, are recognized as operating lease ROU assets.

Most of NSP-Minnesota's leases do not contain a readily determinable discount rate. Therefore, the present value of future lease payments is generally calculated using the estimated incremental borrowing rate (weighted average of 4.7%). For currently existing asset classes, NSP-Minnesota has elected to utilize the practical expedient under which non-lease components, such as asset maintenance costs included in payments, are not deducted from lease payments for the purposes of lease accounting and disclosure.

Leases with an initial term of 12 months or less are classified as short-term leases and are not recognized on the consolidated balance sheet.

Operating lease ROU assets:

| (Millions of Dollars) | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| PPAs | $ 709 | $ 709 |
| Other | 166 | 125 |
| Gross operating lease ROU assets | 875 | 834 |
| Accumulated amortization | (482) | (395) |
| Net operating lease ROU assets | $ 393 | $ 439 |

Components of lease expense:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Operating leases | | | |
| PPA capacity payments | $ 96 | $ 100 | $ 98 |
| Other operating leases [a] | 15 | 13 | 9 |
| Total operating lease expense [b] | $ 111 | $ 113 | $ 107 |

(a) Includes immaterial short-term lease expense for 2024, 2023 and 2022.
(b) PPA capacity payments are included in electric fuel and purchased power on the consolidated statements of income. Expense for other operating leases is included in O&M expense and electric fuel and purchased power.

Commitments under operating leases as of Dec. 31, 2024:

| (Millions of Dollars) | PPA [a] [b] Operating Leases | Other Operating Leases | Total Operating Leases |
|---|---|---|---|
| 2025 | $ 101 | $ 13 | $ 114 |
| 2026 | 89 | 13 | 102 |
| 2027 | 72 | 13 | 85 |
| 2028 | 40 | 13 | 53 |
| 2029 | — | 12 | 12 |
| Thereafter | — | 195 | 195 |
| Total minimum obligation | 302 | 259 | 561 |
| Interest component of obligation | (22) | (125) | (147) |
| Present value of minimum obligation | $ 280 | $ 134 | 414 |
| Less current portion | | | (97) |
| Noncurrent operating lease liabilities | | | $ 317 |
| | | | |
| Weighted-average remaining lease term in years | | | 11.9 |

(a) Amounts do not include PPAs accounted for as executory contracts and/or contingent payments, such as energy payments on renewable PPAs.
(b) PPA operating leases contractually expire at various dates through 2039.

**PPAs and Fuel Contracts**

***Non-Lease PPAs*** — NSP-Minnesota has entered into PPAs with other utilities and energy suppliers for purchased power to meet system load and energy requirements, operating reserve obligations and as part of wholesale and commodity trading activities. In general, these agreements provide for energy payments, based on actual energy delivered, and may also include capacity payments. Certain PPAs, accounted for as executory contracts with various expiration dates through 2041, contain minimum energy purchase commitments. Total energy payments on those contracts were $186 million, $185 million and $182 million in 2024, 2023 and 2022, respectively.

Included in electric fuel and purchased power expenses for PPAs accounted for as executory contracts were payments for capacity of $64 million, $62 million and $60 million in 2024, 2023 and 2022, respectively.

Capacity and energy payments are contingent on the IPPs meeting contract obligations, including plant availability requirements. Certain contractual payments are adjusted based on market indices. The effects of price adjustments on financial results are mitigated through purchased energy cost recovery mechanisms.

At Dec. 31, 2024, the estimated future payments for capacity and energy that NSP-Minnesota is obligated to purchase pursuant to these executory contracts, subject to availability, were as follows:

| (Millions of Dollars) | Capacity | Energy [a] |
|---|---|---|
| 2025 | $ 32 | $ 53 |
| 2026 | 15 | 21 |
| 2027 | 13 | 21 |
| 2028 | 6 | 22 |
| 2029 | 6 | 22 |
| Thereafter | 2 | — |
| Total [b] | $ 74 | $ 139 |

(a) Excludes contingent energy payments for renewable energy PPAs.
(b) Includes amounts allocated to NSP-Wisconsin through intercompany charges.

***Fuel Contracts*** — NSP-Minnesota has entered into various long-term commitments for the purchase and delivery of a significant portion of its coal, nuclear fuel and natural gas requirements. These contracts expire in various years between 2025 and 2037. NSP-Minnesota is required to pay additional amounts depending on actual quantities delivered under these agreements.

Estimated minimum purchases for these contracts as of Dec. 31, 2024:

| (Millions of Dollars) | Coal | Nuclear fuel | Natural gas supply | Natural gas storage and transportation |
|---|---|---|---|---|
| 2025 | $ 104 | $ 168 | $ 84 | $ 141 |
| 2026 | 40 | 62 | — | 140 |
| 2027 | 4 | 133 | — | 108 |
| 2028 | — | 19 | — | 41 |
| 2029 | — | 67 | — | 21 |
| Thereafter | — | 49 | — | 29 |
| Total [a] | $ 148 | $ 498 | $ 84 | $ 480 |

[a] Includes amounts allocated to NSP-Wisconsin through interchange billings.

### VIEs

Under certain PPAs, NSP-Minnesota purchases power from IPPs for which NSP-Minnesota is required to reimburse fuel costs, or to participate in tolling arrangements under which NSP-Minnesota procures the natural gas required to produce the energy that it purchases. NSP-Minnesota has determined that certain IPPs are VIEs, however NSP-Minnesota is not subject to risk of loss from the operations of these entities, and no significant financial support is required other than contractual payments for energy and capacity.

NSP-Minnesota evaluated each of these VIEs for possible consolidation, including review of qualitative factors such as the length and terms of the contract, control over O&M, control over dispatch of electricity, historical and estimated future fuel and electricity prices and financing activities. NSP-Minnesota concluded that these entities are not required to be consolidated in its consolidated financial statements because NSP-Minnesota does not have the power to direct the activities that most significantly impact the entities' economic performance.

NSP-Minnesota had approximately 1,347 MW of capacity under long-term PPAs at both Dec. 31, 2024 and 2023, with entities that have been determined to be VIEs. These agreements have expiration dates through 2039.

## 11. Other Comprehensive Income

Changes in accumulated other comprehensive loss, net of tax, for the years ended Dec. 31:

| | 2024 | | |
|---|---|---|---|
| (Millions of Dollars) | Gains and Losses on Interest Rate Cash Flow Hedges | Defined Benefit Pension and Postretirement Items | Total |
| Accumulated other comprehensive loss at Jan. 1 | $ (18) | $ (2) | $ (20) |
| Other comprehensive income before reclassifications | $ 12 | $ — | $ 12 |
| Accumulated other comprehensive loss at Dec. 31 | $ (6) | $ (2) | $ (8) |

| | 2023 | | |
|---|---|---|---|
| (Millions of Dollars) | Gains and Losses on Interest Rate Cash Flow Hedges | Defined Benefit Pension and Postretirement Items | Total |
| Accumulated other comprehensive loss at Jan. 1 | $ (16) | $ (2) | $ (18) |
| Other comprehensive loss before reclassifications | $ (3) | $ — | $ (3) |
| Losses reclassified from net accumulated other comprehensive loss: | | | |
| Amortization of interest rate hedges | 1 [a] | — | 1 |
| Net current period other comprehensive income | (2) | — | (2) |
| Accumulated other comprehensive loss at Dec. 31 | $ (18) | $ (2) | $ (20) |

[a] Included in interest charges.

## 12. Segment Information

NSP-Minnesota is a wholly owned subsidiary of Xcel Energy. NSP-Minnesota's chief operating decision maker, the CEO of Xcel Energy, sets financial performance objectives and budgets, with separate targets for regulated electric utility and regulated natural gas utility net income.

The regulated electric utility and regulated natural gas utility segments are managed separately because of inherent differences between activities to serve electric customers and those required to serve natural gas customers, and as the revenue streams are dependent upon regulated rate recovery, which is separately determined for each segment. The CEO assesses financial performance, including quarterly and annual budget-to-actual and year-over-year variances in revenues and expenses, to inform operating decisions, capital investments and cost recovery strategies.

NSP-Minnesota has the following reportable segments:

- **Regulated Electric Utility** — The regulated electric utility segment generates, purchases, transmits, distributes and sells electricity in Minnesota, North Dakota and South Dakota; each state's regulated electric utility activities qualify as an operating segment, and is aggregated into NSP-Minnesota's regulated electric utility segment. In addition, this segment includes sales for resale and provides wholesale transmission service to various entities in the United States. The regulated electric utility segment also includes wholesale commodity and trading operations.
- **Regulated Natural Gas Utility** — The regulated natural gas utility segment purchases, transports, stores, distributes and sells natural gas primarily in portions of Minnesota and North Dakota; each state's regulated natural gas utility activities qualify as an operating segment, and is aggregated into NSP-Minnesota's regulated natural gas utility segment.

Asset and capital expenditure information is not provided for NSP-Minnesota's reportable segments. As an integrated electric and natural gas utility, NSP-Minnesota operates significant assets that are not dedicated to a specific business segment. Reporting assets and capital expenditures by business segment would require arbitrary and potentially misleading allocations, which may not necessarily reflect the assets that would be required for the operation of the business segments on a stand-alone basis.

Certain costs, such as common depreciation, common O&M expenses and interest expense are allocated based on cost causation allocators across each segment. In addition, a general allocator is used for certain general and administrative expenses, including office supplies, rent, property insurance and general advertising.

Other segment expenses, net, for the reportable segments includes conservation and DSM expenses, taxes (other than income taxes), other income (expense), net, intersegment expenses and AFUDC - equity.

Non-segment revenues include appliance repair and non-utility real estate activities and revenues associated with processing solid waste into RDF. Non-segment net income also includes costs associated with these activities.

Segment information and reconciliations to NSP-Minnesota's consolidated operating revenues and net income:

| | 2024 | | |
|---|---|---|---|
| (Millions of Dollars) | Regulated electric utility | Regulated natural gas utility | Total segments |
| Operating revenues [a] | $ 5,099 | $ 653 | $ 5,752 |
| Intersegment revenue | 1 | 11 | 12 |
| Total segment revenues | 5,100 | 664 | 5,764 |
| Electric fuel and purchased power | 1,988 | — | 1,988 |
| Cost of natural gas sold and transported | — | 295 | 295 |
| O&M expenses | 1,181 | 104 | 1,285 |
| Depreciation and amortization | 1,025 | 80 | 1,105 |
| Other segment expenses, net | 301 | 53 | 354 |
| Interest charges and financing costs | 307 | 30 | 337 |
| Income tax (benefit) expense | (390) | 25 | (365) |
| Net income | $ 688 | $ 77 | $ 765 |
| | | | |
| Total segment revenues | | | $ 5,764 |
| Eliminate intersegment revenue | | | (12) |
| Non-segment revenues | | | 15 |
| Consolidated operating revenues | | | $ 5,767 |
| | | | |
| Total segment net income | | | $ 765 |
| Non-segment net income | | | 28 |
| Consolidated net income | | | $ 793 |

[a] Regulated electric results include $460 million of affiliate revenues. Regulated natural gas results include $1 million of affiliate revenues. See Note 13 for further information.

| | 2023 | | |
|---|---|---|---|
| (Millions of Dollars) | Regulated electric utility | Regulated natural gas utility | Total segments |
| Operating revenues [a] | $ 5,241 | $ 754 | $ 5,995 |
| Intersegment revenues | 1 | 2 | 3 |
| Total segment revenues | 5,242 | 756 | 5,998 |
| Electric fuel and purchased power | 2,069 | — | 2,069 |
| Cost of natural gas sold and transported | — | 466 | 466 |
| O&M expenses | 1,153 | 98 | 1,251 |
| Depreciation and amortization | 909 | 71 | 980 |
| Other segment expenses, net [b] | 312 | 47 | 359 |
| Interest charges and financing costs | 278 | 26 | 304 |
| Income tax (benefit) expense | (127) | 10 | (117) |
| Net income | $ 648 | $ 38 | $ 686 |
| | | | |
| Total segment revenues | | | $ 5,998 |
| Eliminate intersegment revenue | | | (3) |
| Non-segment revenues | | | 48 |
| Consolidated operating revenues | | | $ 6,043 |
| | | | |
| Total segment net income | | | $ 686 |
| Non-segment net income | | | 21 |
| Consolidated net income | | | $ 707 |

[a] Regulated electric results include $493 million of affiliate revenues. Regulated natural gas results include $1 million of affiliate revenues. See Note 13 for further information.

[b] Other segment expenses, net, for 2023 additionally includes workforce reduction expenses.

| | 2022 | | |
|---|---|---|---|
| (Millions of Dollars) | Regulated electric utility | Regulated natural gas utility | Total segments |
| Operating revenues [a] | $ 5,617 | $ 1,022 | $ 6,639 |
| Intersegment revenues | 1 | 2 | 3 |
| Total segment revenues | 5,618 | 1,024 | 6,642 |
| Electric fuel and purchased power | 2,416 | — | 2,416 |
| Cost of natural gas sold and transported | — | 741 | 741 |
| O&M expenses | 1,126 | 94 | 1,220 |
| Depreciation and amortization | 953 | 60 | 1,013 |
| Other segment expenses, net | 367 | 48 | 415 |
| Interest charges and financing costs | 257 | 22 | 279 |
| Income tax (benefit) expense | (127) | 14 | (113) |
| Net income | $ 626 | $ 45 | $ 671 |
| | | | |
| Total segment revenues | | | $ 6,642 |
| Eliminate intersegment revenue | | | (3) |
| Non-segment revenues | | | 45 |
| Consolidated operating revenues | | | $ 6,684 |
| | | | |
| Total segment net income | | | $ 671 |
| Non-segment net income | | | 4 |
| Consolidated net income | | | $ 675 |

[a] Regulated electric results include $514 million of affiliate revenues. See Note 13 for further information.

### 13. Related Party Transactions

Xcel Energy Services Inc. provides management, administrative and other services for the subsidiaries of Xcel Energy Inc., including NSP-Minnesota. The services are provided and billed to each subsidiary in accordance with service agreements executed by each subsidiary. NSP-Minnesota uses the services provided by Xcel Energy Services Inc. whenever possible. Costs are charged directly to the subsidiary and are allocated if they cannot be directly assigned.

Xcel Energy, Inc., NSP-Minnesota, NSP-Wisconsin, PSCo and SPS have established a utility money pool arrangement.

See Note 5 for further information.

The electric production and transmission costs of the entire NSP System are shared by NSP-Minnesota and NSP-Wisconsin. The Interchange Agreement provides for the sharing of all costs of generation and transmission facilities of the system, including capital costs.

Significant affiliate transactions among the companies and related parties including billings under the Interchange Agreement for the years ended Dec. 31:

| (Millions of Dollars) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Operating revenues: | | | |
| Electric | $ 460 | $ 493 | $ 514 |
| Gas | 1 | 1 | — |
| Operating expenses: | | | |
| Purchased power | 65 | 63 | 70 |
| Transmission expense | 151 | 142 | 132 |
| Other operating expenses — paid to Xcel Energy Services Inc. | 710 | 719 | 673 |
| Interest income | 5 | 1 | 1 |
| Interest expense | 2 | 5 | 1 |

Accounts receivable and payable with affiliates at Dec. 31:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| (Millions of Dollars) | Accounts Receivable | Accounts Payable | Accounts Receivable | Accounts Payable |
| NSP-Wisconsin | $ — | $ 28 | $ 9 | $ — |
| PSCo | — | 7 | 5 | — |
| SPS | — | 2 | — | 4 |
| Other subsidiaries of Xcel Energy Inc. | 1 | 63 | 1 | 85 |
| | $ 1 | $ 100 | $ 15 | $ 89 |

During 2024, Xcel Energy Inc. repurchased certain of NSP-Minnesota's first mortgage bonds. For more information about these repurchases, see Note 5.

### 14. Workforce Reduction

In 2023, Xcel Energy implemented workforce actions to align resources and investments with evolving business and customer needs, and streamline the organization for long-term success.

In September 2023, Xcel Energy announced a voluntary retirement program to a group of eligible non-bargaining employees, with an enhanced retirement package including certain health care and cash benefits for accepted employees. Approximately 400 employees retired under this program in December 2023.

In November 2023, Xcel Energy, Inc. also reduced its non-bargaining workforce by approximately 150 employees through an involuntary severance program.

In the fourth quarter of 2023, Xcel Energy recorded total expense of $72 million related to these workforce actions, of which $32 million was attributable to NSP-Minnesota. Expenses relate to the estimated cost of future health plan subsidies and other medical benefits for the voluntary retirement program, as well as severance and other employee payouts and legal and other professional fees.

No such activities occurred in 2024.

For further information on the estimated obligations for future health plan subsidies and other medical benefits, see Note 9 to the consolidated financial statements.

## ITEM 9 — CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A — CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

NSP-Minnesota maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms.

In addition, the disclosure controls and procedures ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, allowing timely decisions regarding required disclosure. As of Dec. 31, 2024, based on an evaluation carried out under the supervision and with the participation of NSP-Minnesota's management, including the CEO and CFO, of the effectiveness of its disclosure controls and procedures, the CEO and CFO have concluded that NSP-Minnesota's disclosure controls and procedures were effective.

### Internal Control Over Financial Reporting

No changes in NSP-Minnesota's internal control over financial reporting occurred during the most recent fiscal quarter ended Dec. 31, 2024 that materially affected, or are reasonably likely to materially affect, NSP-Minnesota's internal control over financial reporting. NSP-Minnesota maintains internal control over financial reporting to provide reasonable assurance regarding the reliability of the financial reporting. NSP-Minnesota has evaluated and documented its controls in process activities, general computer activities, and on an entity-wide level.

During the year and in preparation for issuing its report for the year ended Dec. 31, 2024 on internal controls under section 404 of the Sarbanes-Oxley Act of 2002, NSP-Minnesota conducted testing and monitoring of its internal control over financial reporting. Based on the control evaluation, testing and remediation performed, NSP-Minnesota did not identify any material control weaknesses, as defined under the standards and rules issued by the Public Company Accounting Oversight Board, as approved by the SEC and as indicated in NSP-Minnesota's Management Report on Internal Controls over Financial Reporting, which is contained in Item 8 herein.

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This annual report does not include an attestation report of NSP-Minnesota's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by NSP-Minnesota's independent registered public accounting firm pursuant to the rules of the SEC that permit NSP-Minnesota to provide only management's report in this annual report.

**ITEM 9B — OTHER INFORMATION**

None.

**ITEM 9C — DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**PART III**

Items 10, 11 and 12 of Part III of Form 10-K have been omitted from this report for NSP-Minnesota in accordance with conditions set forth in General Instructions I(1)(a) and (b) of Form 10-K for wholly-owned subsidiaries.

**ITEM 10 — DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

**ITEM 11 — EXECUTIVE COMPENSATION**

**ITEM 12 — SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

**ITEM 13 — CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information required under this Item is contained in Xcel Energy Inc.'s definitive Proxy Statement for its 2025 Annual Meeting of Shareholders, which is incorporated by reference.

**ITEM 14 — PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Information required under this Item (aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34)) is contained in Xcel Energy Inc.'s Proxy Statement for its 2025 Annual Meeting of Shareholders, which is incorporated by reference.

**PART IV**

**ITEM 15 — EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

| | |
|---|---|
| 1 | Consolidated Financial Statements: |
| | Management Report on Internal Controls Over Financial Reporting — For the year ended Dec. 31, 2024. |
| | Report of Independent Registered Public Accounting Firm — Financial Statements |
| | Consolidated Statements of Income — For each of the three years ended Dec. 31, 2024, 2023 and 2022. |
| | Consolidated Statements of Comprehensive Income — For each of the three years ended Dec. 31, 2024, 2023 and 2022. |
| | Consolidated Statements of Cash Flows — For each of the three years ended Dec. 31, 2024, 2023 and 2022. |
| | Consolidated Balance Sheets — As of Dec. 31, 2024 and 2023. |
| | Consolidated Statements of Common Stockholder's Equity — For each of the three years ended Dec. 31, 2024, 2023 and 2022. |
| | |
| 2 | Schedule II — Valuation and Qualifying Accounts and Reserves for each of the years ended Dec. 31, 2024, 2023 and 2022. |
| | |
| 3 | Exhibits |
| | |
| * | Indicates incorporation by reference |
| + | Executive Compensation Arrangements and Benefit Plans Covering Executive Officers and Directors |

| Exhibit Number | Description | Report or Registration Statement | Exhibit Reference |
|---|---|---|---|
| 3.01* | Articles of Incorporation and Amendments of Northern Power Corp. (renamed Northern States Power Co. (a Minnesota corporation) on Aug. 21, 2000) | NSP-Minnesota Form 10-12G dated Oct. 5, 2000 | 3.01 |
| 3.02* | By-Laws of NSP-Minnesota as Amended and Restated on Jan. 25, 2019 | NSP-Minnesota Form 10-K for the year ended Dec. 31, 2018 | 3.02 |
| 4.01* | Supplemental and Restated Trust Indenture, dated May 1, 1988, from NSP-Minnesota to Harris Trust and Savings Bank, as Trustee, providing for the issuance of First Mortgage Bonds, Supplemental Indentures between NSP-Minnesota and said Trustee | Xcel Energy Inc. Form S-3 dated April 18, 2018 | 4(b)(3) |
| 4.02* | Supplemental Trust Indenture, dated as of June 1, 1995, from NSP-Minnesota to Harris Trust and Savings Bank, as Trustee, creating $250 million aggregate principal amount of 7.125% First Mortgage Bonds, Series due July 1, 2025 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2017 | 4.11 |
| 4.03* | Supplemental Trust Indenture, dated as of March 1, 1998, from NSP-Minnesota to Harris Trust and Savings Bank, as Trustee, creating $150 million aggregate principal amount of 6.5% First Mortgage Bonds, Series due March 1, 2028 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2017 | 4.12 |
| 4.04* | Supplemental Trust Indenture, dated as of Aug. 1, 2000 (Assignment and Assumption of Trust Indenture) | NSP-Minnesota Form 10-12G dated Oct. 5, 2000 | 4.51 |
| 4.05* | Supplemental Trust Indenture, dated as of July 1, 2005, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, NA (as successor to BNY Midwest Trust Company), as Trustee, creating $250 million aggregate principal amount of 5.25% First Mortgage Bonds, Series due July 15, 2035 | NSP-Minnesota Form 8-K dated July 14, 2005 | 4.01 |
| 4.06* | Supplemental Trust Indenture, dated as of May 1, 2006, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, NA (as successor to BNY Midwest Trust Company), as Trustee, creating $400 million aggregate principal amount of 6.25% First Mortgage Bonds, Series due June 1, 2036 | NSP-Minnesota Form 8-K dated May 18, 2006 | 4.01 |

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| | | | |
|---|---|---|---|
| 4.07* | Supplemental Trust Indenture, dated as of June 1, 2007, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, NA (as successor to BNY Midwest Trust Company), as Trustee, creating $350 million aggregate principal amount of 6.20% First Mortgage Bonds, Series due July 1, 2037 | NSP-Minnesota Form 8-K dated June 19, 2007 | 4.01 |
| 4.08* | Supplemental Trust Indenture, dated as of Nov. 1, 2009, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company., NA, as Trustee, creating $300 million aggregate principal amount of 5.35% First Mortgage Bonds, Series due Nov. 1, 2039 | NSP-Minnesota Form 8-K dated Nov. 16, 2009 | 4.01 |
| 4.09* | Supplemental Trust Indenture, dated as of Aug. 1, 2010, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, NA, as Trustee, creating $250 million aggregate principal amount of 4.85% First Mortgage Bonds, Series due Aug. 15, 2040 | NSP-Minnesota Form 8-K dated Aug. 4, 2010 | 4.01 |
| 4.10* | Supplemental Trust Indenture, dated as of Aug. 1, 2012, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, NA, as Trustee, creating $500 million aggregate principal amount of 3.40% First Mortgage Bonds, Series due Aug. 15, 2042 | NSP-Minnesota Form 8-K dated Aug. 13, 2012 | 4.01 |
| 4.11* | Supplemental Trust Indenture, dated as of May 1, 2014, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $300 million aggregate principal amount of 4.125% First Mortgage Bonds, Series due May 15, 2044 | NSP-Minnesota Form 8-K dated May 13, 2014 | 4.01 |
| 4.12* | Supplemental Trust Indenture, dated as of Aug. 1, 2015, by and between NSP-Minnesota and The Bank of New York Mellon Company, N.A., as Trustee, creating $300 million aggregate principal amount of 4.00% First Mortgage Bonds, Series due Aug. 15, 2045 | NSP-Minnesota Form 8-K dated Aug. 11, 2015 | 4.01 |
| 4.13* | Supplemental Trust Indenture, dated as of May 1, 2016, by and between NSP-Minnesota and The Bank of NY Mellon Trust Company, N.A., as Trustee, creating $350 million aggregate principal amount of 3.60% First Mortgage Bonds, Series due May 15, 2046 | NSP-Minnesota Form 8-K dated May 31, 2016 | 4.01 |
| 4.14* | Supplemental Trust Indenture, dated as of Sept. 1, 2017, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $600 million aggregate principal amount of 3.60% First Mortgage Bonds, Series due Sept. 15, 2047 | NSP-Minnesota Form 8-K dated Sept. 13, 2017 | 4.01 |
| 4.15* | Supplemental Trust Indenture, dated as of Sept. 1, 2019, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $600 million aggregate principal amount of 2.90% First Mortgage Bonds, Series due March 1, 2050 | NSP-Minnesota Form 8-K dated Sept. 10, 2019 | 4.01 |
| 4.16* | Supplemental Indenture, dated as of June 8, 2020, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $700 million aggregate principal amount of 2.60% First Mortgage Bonds, Series due June 1, 2051 | NSP-Minnesota 8-K dated June 15, 2020 | 4.01 |
| 4.17* | Supplemental Indenture, dated as of March 1, 2021, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $425 million principal amount of 2.25% First Mortgage Bonds, Series due April 1, 2031 and $425 million principal amount of 3.20% First Mortgage Bonds, Series due April 1, 2052 | NSP-Minnesota 8-K dated March 30, 2021 | 4.01 |
| 4.18* | Supplemental Indenture, dated as of May 1, 2022, by and between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as Trustee, creating $500 million aggregate principal amount of 4.50% First Mortgage Bonds, Series due June 1, 2052 | NSP-Minnesota 8-K dated May 9, 2022 | 4.01 |
| 4.19* | Supplemental Trust Indenture dated as of May 1, 2023 between NSP-Minnesota and The Bank of New York Mellon Trust Company, N.A., as successor Trustee, creating $800 million aggregate principal amount of 5.10% First Mortgage Bonds, Series due May 15, 2053. | NSP-Minnesota 8-K dated May 8, 2023 | 4.01 |
| 4.20* | Supplemental Trust Indenture dated as of February 1, 2024 between Northern States Power Company and The Bank of New York Mellon Trust Company, N.A., as successor Trustee, creating $700,000,000 aggregate principal amount of 5.40% First Mortgage Bonds, Series due March 15, 2054. | NSP-Minnesota 8-K dated Feb. 29, 2024 | 4.01 |
| 10.01*+ | Xcel Energy Inc. Nonqualified Pension Plan (2009 Restatement) | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2008 | 10.02 |
| 10.02*+ | Xcel Energy Senior Executive Severance and Change-in-Control Policy (2009 Restatement) | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2008 | 10.05 |
| 10.03*+ | Second Amendment to Exhibit 10.02 dated Oct. 26, 2011 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2011 | 10.18 |
| 10.04*+ | Fifth Amendment to Exhibit 10.02 dated May 3, 2016 | Xcel Energy Inc. Form 10-Q for the quarter ended June 30, 2016 | 10.01 |
| 10.05*+ | Seventh Amendment to Exhibit 10.02 dated May 7, 2018 | Xcel Energy Inc. Form 10-Q for the quarter ended June 30, 2018 | 10.01 |
| 10.06*+ | Eighth Amendment to Exhibit 10.02 dated March 31, 2020 | Xcel Energy Inc. Form 10-Q for the quarter ended March 31, 2020 | 10.02 |
| 10.07*+ | Ninth Amendment to Exhibit 10.02 dated May 22, 2020 | Xcel Energy Inc. Form 10-Q for the quarter ended June 30, 2020 | 10.01 |
| 10.08+ | Tenth Amendment to Exhibit 10.02 dated May 20, 2024 | | |
| 10.09*+ | Xcel Energy Inc. Supplemental Executive Retirement Plan as amended and restated Jan. 1, 2009 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2008 | 10.17 |
| 10.10*+ | Xcel Energy Inc. Nonqualified Deferred Compensation Plan (2009 Restatement) | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2008 | 10.07 |
| 10.11*+ | First Amendment to Exhibit 10.10 effective Nov. 29, 2011 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2011 | 10.17 |
| 10.12*+ | Second Amendment to Exhibit 10.10 dated May 21, 2013 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2013 | 10.22 |
| 10.13*+ | Third Amendment to Exhibit 10.10 dated Sept. 30, 2016 | Xcel Energy Inc. Form 10-Q for the quarter ended Sept. 30, 2016 | 10.01 |
| 10.14*+ | Fourth Amendment to Exhibit 10.10 dated Oct. 23, 2017 | Xcel Energy Inc. Form 10-Q for the quarter ended Sept. 30, 2017 | 10.1 |
| 10.15*+ | Xcel Energy Inc. Amended and Restated 2015 Omnibus Incentive Plan | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2018 | 10.34 |
| 10.16*+ | Form of Award Agreement for Restricted Stock Units and/or Performance Share Units under the Xcel Energy Inc. 2015 Omnibus Incentive Plan for awards between 2020-2023 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2019 | 10.35 |

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| | | | |
|---|---|---|---|
| 10.17*+ | Form of Award Agreement for Restricted Stock Units and/or Performance Share Units under the Xcel Energy Inc. 2015 Omnibus Incentive Plan for awards in 2024 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2023 | 10.16 |
| 10.18*+ | Form of Award Agreement for Retention-Based Restricted Stock Units under the Xcel Energy Inc. Amended and Restated 2015 Omnibus Incentive Plan | Xcel Energy Inc. Form 8-K dated Dec. 10, 2021 | 10.01 |
| 10.19*+ | Xcel Energy Inc. Annual Incentive Plan, effective Feb. 21, 2024 | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2023 | 10.18 |
| 10.20*+ | Summary of Non-Employee Director Compensation, effective as of May 24, 2023 | Xcel Energy Inc. Form 8-K dated Jan. 20, 2025 | 10.01 |
| 10.21*+ | Stock Equivalent Plan for Non-Employee Directors of Xcel Energy Inc. as amended and restated effective Feb. 23, 2011 | Xcel Energy Inc. Definitive Proxy Statement dated April 5, 2011 | Appendix A |
| 10.22*+ | Stock Program for Non-Employee Directors of Xcel Energy Inc. as Amended and Restated on Dec. 12, 2017 under the 2015 Omnibus Incentive Plan | Xcel Energy Inc. Form 10-K for the year ended Dec. 31, 2018 | 10.36 |
| 10.23*+ | Xcel Energy Inc. 2024 Equity Incentive Plan | Xcel Energy Inc. Form S-8 dated May 22, 2024 | 4.01 |
| 10.24*+ | Xcel Energy Inc. Stock Program for Non-Employee Directors (Effective May 22, 2024) under the 2024 Equity Incentive Plan | Xcel Energy Inc. Form 8-K dated May 22, 2024 | 10.01 |
| 10.25+ | Form of Award Agreement for Restricted Stock Units under the Xcel Energy Inc. 2024 Equity Incentive Plan for awards since 2025 | | |
| 10.26+ | Form of Award Agreement for Performance Stock Units under the Xcel Energy Inc. 2024 Equity Incentive Plan for awards since 2025 | | |
| 10.27*+ | Form of Award Agreement for Retention-Based Restricted Stock Units under the Xcel Energy Inc. 2024 Equity Incentive Plan | Xcel Energy Inc. Form 8-K dated May 22, 2024 | 10.03 |
| 10.28*+ | Form of Award Agreement for Restricted Stock under the Xcel Energy Inc. 2024 Equity Incentive Plan | Xcel Energy Inc. Form 8-K dated May 22, 2024 | 10.04 |
| 10.29* | Form of Services Agreement between Xcel Energy Services Inc. and utility companies | Xcel Energy Inc. Form U5B dated Nov. 16, 2000 | H-1 |
| 10.30+ | Aircraft Time Sharing Agreement, effective Feb. 25, 2025, between Xcel Energy Services Inc., as Operator, and the Chief Executive Officer of Operator | | |
| 10.31* | Restated Interchange Agreement dated Jan. 16, 2001 between NSP-Wisconsin and NSP-Minnesota | NSP-Wisconsin Form S-4 dated Jan.21, 2004 | 10.01 |
| 10.31* | Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among NSP-Minnesota, as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank, Ltd., and Wells Fargo Bank, National Association, as Documentation Agents | Xcel Energy Inc. Form 8-K dated Sept. 19, 2022 | 99.02 |
| 23.01 | Consent of Independent Registered Public Accounting Firm. | | |
| 31.01 | Principal Executive Officer's certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | |
| 31.02 | Principal Financial Officer's certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | |
| 32.01 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | | |
| 101.SCH | Inline XBRL Schema | | |
| 101.CAL | Inline XBRL Calculation | | |
| 101.DEF | Inline XBRL Definition | | |
| 101.LAB | Inline XBRL Label | | |
| 101.PRE | Inline XBRL Presentation | | |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) | | |

**SCHEDULE II**

**NSP-Minnesota and Subsidiaries Valuation and Qualifying Accounts Years Ended Dec. 31**

| | Allowance for bad debts | | |
|---|---|---|---|
| **(Millions of Dollars)** | **2024** | **2023** | **2022** |
| Balance at Jan. 1 | $ 48 | $ 46 | $ 45 |
| Additions charged to costs and expenses | 21 | 30 | 21 |
| Additions charged to other accounts [(a)] | 7 | 6 | 6 |
| Deductions from reserves [(b)] | (34) | (34) | (26) |
| Balance at Dec. 31 | $ 42 | $ 48 | $ 46 |

(a) Recovery of amounts previously written-off.
(b) Deductions related primarily to bad debt write-offs.

**ITEM 16 — FORM 10-K SUMMARY**

None.

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**Signatures**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**NORTHERN STATES POWER COMPANY**
**(A MINNESOTA CORPORATION)**

Feb. 27, 2025

/s/ BRIAN J. VAN ABEL
Brian J. Van Abel
Executive Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities on the date indicated above.

/s/ ROBERT C. FRENZEL
Robert C. Frenzel
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ RYAN J. LONG
Ryan J. Long
President and Director

/s/ BRIAN J. VAN ABEL
Brian J. Van Abel
Executive Vice President, Chief Financial Officer and Director
(Principal Financial Officer)

/s/ MELISSA L. OSTROM
Melissa L. Ostrom
Senior Vice President, Controller
(Principal Accounting Officer)

**SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(D) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT**

NSP-Minnesota has not sent, and does not expect to send, an annual report or proxy statement to its security holder.

Exhibit 10.08

Tenth Amendment
**to the**
**Xcel Energy Senior Executive Severance and Change-In-Control Policy**

**THIS TENTH AMENDMENT** is made this 20th day of May, 2024, by Xcel Energy Inc. (the "Principal Sponsor").

WITNESSETH:

**WHEREAS**, the Principal Sponsor maintains the Xcel Energy Senior Executive Severance and Change-In-Control Policy (the "Policy"), and

**WHEREAS**, the Board of Directors of the Principal Sponsor (the "Board") has reserved the right to make amendments to the Policy, and

**WHEREAS**, the Governance, Compensation and Nominating Committee of the Board of Directors of the Principal Sponsor (the "Committee") has reserved the right to appoint or remove Participants under the Policy, and

**WHEREAS,** the Committee wishes to amend the Policy in certain respects to add a Participant to Schedule I to be effective May 20, 2024.

**NOW, THEREFORE**, the Policy is hereby amended as follows:

1. **Schedule I - Participants:** Schedule I to the Policy is hereby amended to add Rob Berntsen to the Schedule as a Tier I Participant as follows:

| Name | Tier | Severance Multiple | Change-in-Control Multiple |
|---|---|---|---|
| Rob Berntsen | 1 | 1 | 3 |

1. **Savings Clause.** Except as hereinabove set forth, the Xcel Energy Senior Executive Severance and Change-In-Control Policy shall continue in full force and effect.

**IN WITNESS WHEREOF,** Xcel Energy Inc. has caused this instrument to be enacted by its duly authorized officer as of the date set forth to be effective May 20, 2024.

**XCEL ENERGY INC.**
**By: /s/Patricia Correa**
**Its: Senior Vice President, Chief Human Resources Office**
Its: Senior Vice President, Chief Human Resources Officer

**Exhibit 10.25**

**XCEL ENERGY INC. 2024 EQUITY INCENTIVE PLAN**

**Restricted Stock Unit Award Agreement – [YEAR] Grant**

Xcel Energy Inc. (the "Company" and collectively with its Affiliates, "Xcel Energy"), pursuant to its 2024 Equity Incentive Plan (the "Plan"), hereby grants to you, the Participant named below, an Award of Restricted Stock Units as set forth below. The terms and conditions of such Award are set forth in this Award agreement and any exhibits hereto (the "Agreement") and in the Plan document, a copy of which has been provided to you. Any capitalized term used but not defined in this Agreement shall have the same meaning assigned to it in the Plan (as it currently exists or as it may be amended in the future).

**Participant**: [●] **Grant Date:** [●]

1. **Granting of Award.** The Company has granted to you, subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Restricted Stock Units specified below ("Units"). The grant of such Award is effective as of the Grant Date set forth above. As used herein, the term "Award" refers to the Award described below, and includes additional units credited with respect to that Award upon the deemed reinvestment of dividend equivalents, if any, that are credited in accordance with this Agreement ("Dividend Equivalent Units").

| Scheduled Vesting Date | Restricted Stock Units |
|---|---|
| [Month, date, year] | [#] |

All of the Units granted to you as shown above will vest on the Scheduled Vesting Date noted above (which, along with any vesting date provided for in Sections 3 or 8 (each, a "Vesting Date") for this Restricted Stock Unit Award (it being understood that if such Vesting Date is not a business day (defined below), that the Units will vest on the preceding business day to such date and such preceding business day shall be the "Vesting Date"), if your Service has been continuous from the Grant Date to the Vesting Date (the "Period of Restriction").

1. **Nature of Units; No Shareholder Rights.** The Units subject to the Award will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for bookkeeping purposes only, with the Units simply representing an unfunded and unsecured obligation of a general creditor of the Company. The Units subject to the Award may not be sold, assigned, transferred, pledged or otherwise encumbered by you, and do not entitle you to any rights as a shareholder of the Company unless and until Shares are issued to you upon settlement of the Units as provided in Section 5.

1. **Termination of Service.**

(a) Upon your termination of Service due to death during a Period of Restriction, your unvested Units, including any credited Dividend Equivalent Units, shall immediately vest one hundred percent (100%) and shall be paid as soon as administratively feasible in accordance with Section 5(b) hereof.

(b) Upon your termination of Service due to Disability during a Period of Restriction, your unvested Units, including any credited Dividend Equivalent Units, shall immediately vest one hundred percent (100%) and shall be paid to you (or your personal representative) as soon as administratively feasible in accordance with Section 5(a) hereof.

(c) Upon your termination of Service due to your Retirement (as defined herein):

(1) during the Period of Restriction, you will be eligible to have your Award vest on the Vesting Date for the Award set forth on the first page of this Agreement equal to the number of Units that would have otherwise vested on the Vesting Date had you not retired.

1. For purposes of this Award, "Retirement" means any voluntary termination of your Service by you that occurs at or after you have attained at least age 55 with 10 years or more of continuous Service, provided that no less than three months and no more than six months prior to your termination of Service you provided notice to the Company of your intention to retire.

(d) After you have attained at least age 55 with 10 years or more of continuous Service, upon your termination of Service during the Period of Restriction by the Company other than for Cause or by you without notice and other than due to death or Disability, you will be eligible to have a pro rata portion of your Award vest on the Vesting Date, such pro rata portion to be equal to the number of Units that would otherwise vest on the Vesting Date had there not been a termination of Service, multiplied by a fraction whose numerator is the number of whole months during which you were providing Service during the Period of Restriction and whose denominator is the length of the Period of Restriction, expressed as a number of months.

(e) Upon your termination of Service during the Period of Restriction under any circumstances other than those set forth in Sections 3(a), (b), (c) and (d) above (including due to a retirement that does not meet the definition of "Retirement" set forth in this Agreement), your unvested Award shall be forfeited on the date of such termination. If a termination of Service occurs on the last business day of a Period of Restriction, then you will be deemed to have served through the remainder of the Period of Restriction.

1. **Vesting of Award.** Any vesting of this Award is conditioned on your compliance with Section 13. Notwithstanding the vesting and subsequent payment of this Award, it shall remain subject to the provisions of Section 13 of this Agreement.

1. **Payment of Vested Awards**.

(a) Timing and Form of Payment. As soon as administratively feasible following the Vesting Date, but in no event later than March 15 of the year following the calendar year of the applicable Vesting Date, the Company shall cause to be paid to you in settlement of each Unit (including any credited Dividend Equivalent Units) comprising a vested Award, one Share.

(b) Payment upon Death. In the event of your death, amounts that otherwise would have become payable to you in accordance with Section 3(a) will be paid in cash, in an amount equal to the Fair Market Value of one such Share as of the preceding business day to such payment date, to your designated beneficiary (if such beneficiary has been designated in accordance with the Plan), or if no beneficiary is designated, in accordance with Section 6(d) of the Plan.

1. **Dividend Equivalents.** When the Company declares a cash dividend on its Shares, dividend equivalents equal in amount to the dividends payable (at the normal common stock declared dividend rate) on a number of Shares equal to the number of Units subject to the Award held by you on a dividend record date occurring after the Grant Date and prior to the Vesting Date shall be deemed reinvested in additional Units as of the dividend payment date and credited to your account as additional Units. The number of additional Units so credited shall be determined based on the Fair Market Value of a Share on the dividend payment date. Any additional Units so credited will be subject to the same terms and restrictions applicable to the underlying Award as provided in this Agreement.

1. **Changes in Capitalization of the Company**. If there is any equity restructuring or other change in the Company's corporate capitalization as described in Section 12(a) of the Plan, the Committee shall determine the appropriate adjustment, if any, to each Award as provided in Section 12(a) of the Plan.

1. **Change in Control**. If any Change in Control occurs, provided that your Service continues to the date of the Change in Control, then:

(a) Your then-outstanding Restricted Stock Unit Award shall become fully vested.

a. Any Award vested pursuant to Section 8(a) shall be settled in cash, Shares or a combination thereof, as determined by the Committee, in accordance with the timing set forth in Section 5, unless Section 8(c) applies.

a. If a Change in Control which also constitutes a change in control of the Company as defined by Code Section 409A (a "409A Change in Control") occurs, any payment due under this Agreement will be made within 30 days following such 409A Change in Control.

1. **Recoupment.** In addition to the provisions in Section 13 of this Agreement, this Award and any compensation associated with may be made subject to forfeiture, recovery by the Company or other action, at any time, (a) in accordance with the Xcel Energy Inc. Mandatory Compensation Recovery Policy for Section 16 Officers, the Xcel

Energy, Inc. Compensation Recovery Policy for Covered Employees, and any other compensation recovery, recoupment or forfeiture policies adopted by Xcel Energy from time to time, and (b) to the extent required by any law, rule of the Securities and Exchange Commission or any listing standard of the securities exchange upon which the Company's stock is listed, and this Award will be automatically amended to comply with any compensation recovery requirement.

1. **Withholding.** The Company may require you to remit to it, or may withhold from the settlement of an Award or from your other compensation, an amount sufficient to satisfy any applicable federal, state or local tax, employment, FICA or other mandated withholding requirements in regard to the Award in the year or years the Award becomes taxable to you. You may elect in accordance with the Plan to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares otherwise payable in settlement of the Award at the rate the Committee determines satisfies applicable withholding requirements of the Code. For this purpose, the Award will be valued using the Fair Market Value of a Share as of the preceding business day to such withholding date. If no election is made, you will be deemed to have elected Shares to be withheld.

1. **Plan Incorporated by Reference; Electronic Delivery.** The Award is subject in all respects to the terms and conditions of the Plan, which is controlling, and which shall be deemed incorporated into this Agreement. The Company, or a third party designated by the Company, may deliver to you by electronic means any documents related to your participation in the Plan. By accepting this Agreement, you acknowledge receipt of a copy of the Plan.

1. **No Right to Employment.** Nothing in this Agreement shall limit the right of the Company or any of its Affiliates to terminate your Service as provided in Section 13 of the Plan.

1. **Restrictive Covenants.**

(a) Non-Disclosure and Return of Confidential Information. During your Service you have or will be given access to and provided with information proprietary to Xcel Energy and not generally known (including trade secret information) about Xcel Energy's products, services, personnel, technology, research, development, methods, processes, systems, marketing plans, business strategies and plans, merger and acquisition strategies and targets, financial and pricing information, computer programs, source codes, models and databases, analytical models, customer lists and information, and supplier and vendor lists and information (collectively, "Confidential Information"). You agree not to disclose or use Confidential Information, either during or after your Service, except as required by subpoena or other legal process, in which event you will give Xcel Energy's Chief Legal and Compliance Officer prompt notice of such subpoena or other legal process in order to permit Xcel Energy and any affected individual to seek appropriate protective orders. You further agree to return any and all Confidential Information, whether in hard or electronic format, regardless of the location on which such information may reside, no later than the date of your termination of Service. Notwithstanding any other language in this Agreement to the contrary, you understand that you may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and you do not disclose the trade secret except pursuant to a court order. Additionally, notwithstanding any other language in this Agreement to the contrary, nothing in this Agreement prohibits you from providing confidential information to a government agency or otherwise participating in lawful investigation by any government agency. [*Notice for Colorado employees*: This paragraph 13(a) does not restrain you from disclosing (orally or in writing) the underlying facts of any alleged discriminatory or unfair employment practice: (1) to your immediate family members, religious advisor, medical or mental health provider, mental or behavioral health therapeutic support group, legal counsel, financial advisor, or tax preparer; (2) to any local, state, or federal government agency for any reason without first notifying Xcel Energy; (3) in response to legal process, such as a subpoena to testify at a deposition or in a court without first notifying Xcel Energy; or (4) for all other purposes as required by law. Also, the disclosure of the underlying facts of any alleged discriminatory or unfair employment practice within these parameters (which comply with C.R.S. § 24-34-407(1)(b)) does not constitute disparagement. The portion of this Non-Disclosure provision (with respect to any limitation on the ability of you/employee to disclose or discuss any alleged discriminatory or unfair employment practice) applies to Xcel Energy as well.]

a. No Solicitation. During your Service, and for a period of two years after the end of your Service for any reason, you agree that you will not, directly or indirectly, solicit or encourage any Xcel Energy employee, contractor or vendor with

whom you have had contact or about whom you have obtained information to terminate, curtail, fail to renew a relationship or otherwise adversely change its relationship with Xcel Energy, [*Notice for Colorado employees*: this applies only to the extent the foregoing activities involve the use, disclosure, and/or misappropriation of trade secrets as defined by the Colorado Uniform Trade Secret Act, C.R.S. Sec. 7-74-101, et seq.,] and you agree you will not provide any information to any other person or entity for use in any similar attempt to do the same.

a. No Competition. Where permitted by law including state and local law, for one year following your termination of Service for any reason, you shall not, directly or indirectly, on your own behalf or on behalf of any person or entity, become employed, engaged or involved with any business that is engaged in or planning to become engaged in any business competitive with the business of Xcel Energy in a position that involves: (i) providing services that relate to or are similar in nature or purpose to the services you performed for Xcel Energy during your previous two years of Service if such services involve business or regulatory strategies; methodologies or strategies relating to the generation, transmission, brokering, marketing, distribution, development, acquisition, or sale and delivery of electric power or generation capacity; electric commodity trading and origination activities and strategies; and services to gas and electric customers that provide them with options and the ability to reduce usage; or transmission, brokering, marketing or sale and distribution of natural gas; (ii) supervision, management, direction or advice regarding such services; or (iii) products, services and business activities as to which you had access to Confidential Information in the two years preceding your termination of Service. [FOR COLORADO EMPLOYEES ONLY: The restrictions on competitive activities delineated in this Section 13(c) shall be limited only to those activities which involve the use, disclosure, and/or misappropriation of trade secrets as defined by the Colorado Uniform Trade Secret Act, C.R.S. Sec. 7-74-101, et seq.] [FOR MINNESOTA EMPLOYEES ONLY: This paragraph does not apply]

a. Breach of Restrictive Covenant. If you breach your obligations to Xcel Energy under any of the provisions of this Section 13, then (i) you shall immediately forfeit this Award (whether vested or unvested) and any right to receive Shares that has not yet been settled pursuant to Section 5, and (ii) with respect to Shares that have been issued pursuant to this Award, you shall (A) return such Shares to the Company, or (B) pay to the Company in cash an amount equal to the Fair Market Value of such Shares as used by the Company in initially determining settlement. You further agree that if you violate any of the terms of this Section 13, then you will be liable to Xcel Energy for injunctive relief and damages in the full value of any Award paid under this Agreement.

1. **Section 409A of the Code.** The provisions of this Award and the Units granted hereunder are intended to comply with or be exempt from the requirements of Code Section 409A, and to the maximum extent permitted this Agreement shall be limited, construed and interpreted in accordance with such intent. Each amount to be paid under this Agreement shall be construed as a separate and distinct payment for purposes of Code Section 409A. Notwithstanding anything to the contrary in this Agreement, with respect to any Award that constitutes a deferral of compensation subject to Code Section 409A:

(a) If any amount is payable under such Award upon a termination of Service, a termination of Service will be deemed to have occurred only at such time as you have experienced a "separation from service" as such term is defined for purposes of Code Section 409A.

a. If any amount shall be payable with respect to such Award as a result of your "separation from service" at such time as you are a "specified employee" as designated by the Company in its discretion within the meaning of Code Section 409A, then no payment shall be made, except as permitted under Code Section 409A, prior to the first business day after the earlier of (i) the date that is six months after your separation from service or (ii) your death.

1. **Participant Acceptance.** You shall signify acceptance of this Agreement, including, if applicable to you, that you will abide by the Xcel Energy Stock Ownership Policy, by signing in the space provided below and returning a signed copy to the Company, or if available, by providing an electronic signature[, within the time frames specified by the Company's Human Resources department].

1. **Mandatory Binding Arbitration.** You agree that any and all disputes related to the Award including but not limited to, eligibility, vesting, distribution and payment, withholding, targets, effect of termination of Service or rights related to an amendment or termination of the Plan, will be subject to mandatory binding arbitration in Minneapolis, Minnesota before the American Arbitration Association. You agree that you will be responsible for bearing your share of the costs

to arbitrate. [FOR COLORADO EMPLOYEES ONLY: Any action pertaining to the restrictive covenants in Section 13 shall be brought in state or federal court in Colorado and shall be governed by Colorado law.]

1. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1. **Securities Law Matters.** The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange), as may be determined by the Company to be applicable, are satisfied.

1. **Headings.** Headings are given to sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

1. **Definitions.**

(a) The term "business day" means any day other than a Saturday, Sunday or other day on which the principal national securities exchange on which the Company's common stock is then listed is not open for business.

a. The term "Committee" shall also include those persons to whom authority has been delegated under the Plan.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents and that they set forth the entire Agreement between you and the Company regarding this Award of Units.

XCEL ENERGY INC.

By:

[NAME]
[TITLE]

ACCEPTED:

Participant Signature

Date

[FOR COLORADO EMPLOYEES ONLY: Note that this Agreement shall not be effective until 14 days after the date you sign it.]

**ADDENDUM FOR COLORADO EMPLOYEES ONLY**
**[employees outside of Colorado do *not* need to sign]**

By signing below, Xcel Energy and Participant attest that the Xcel Energy Inc. 2024 Equity Incentive Plan, including the confidentiality provisions within the Agreement at Section 13, comply with C.R.S. § 24-34-407(1) (the Colorado POWR Act).

Dated:_____
Participant Signature

Dated: _____ _____
Xcel Energy Inc.
Name: _____

Title: _____

**Exhibit 10.26**

**XCEL ENERGY INC. 2024 EQUITY INCENTIVE PLAN**

**Performance Stock Unit Award Agreement – [YEAR] Grant**

Xcel Energy Inc. (the "Company" and collectively with its Affiliates, "Xcel Energy"), pursuant to its 2024 Equity Incentive Plan (the "Plan"), hereby grants to you, the Participant named below, an Award of Performance Stock Units as set forth below. The terms and conditions of such Award are set forth in this Award agreement and any exhibits hereto (the "Agreement") and in the Plan document, a copy of which has been provided to you. Any capitalized term used but not defined in this Agreement shall have the same meaning assigned to it in the Plan (as it currently exists or as it may be amended in the future).

**Participant**: [●] **Grant Date:** [●]

1. **Granting of Award.** The Company has granted to you, subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Performance Stock Units as specified below ("Units"). The grant of such Award is effective as of the Grant Date set forth above. As used herein, the term "Award" refers to the Award described below, and includes additional units credited with respect to that Award upon the deemed reinvestment of dividend equivalents, if any, that are credited in accordance with this Agreement ("Dividend Equivalent Units").

| Performance Period | Performance Stock Units (at Target) |
|---|---|
| [Performance Period] | [#] |

The number of Performance Stock Units that shall be eligible to vest as provided in Section 3 and 4, which may be more or less than the Performance Stock Units target numbers shown above, will be based on the extent to which the performance goals set forth in Exhibit A to this Agreement have been achieved during the "Performance Period" noted above, with such number of Performance Stock Units adjusted as set forth in Exhibit B to this Agreement, and such performance has been certified in writing by the Committee. The "Vesting Date" for these Performance Stock Units shall be the last day of the Performance Period or any vesting date provided for in Sections 3(a), 3(b) or 8, provided that your Service has been continuous from the Grant Date to the Vesting Date (except as otherwise provided in Section 3). The payment and/or settlement of the Performance Stock Units will occur as specified in Section 5, or, if applicable, Section 8(c), below.

1. **Nature of Units; No Shareholder Rights.** The Units subject to the Award will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for bookkeeping purposes only, with the Units simply representing an unfunded and unsecured obligation of a general creditor of the Company. The Units subject to the Award may not be sold, assigned, transferred, pledged or otherwise encumbered by you, and do not entitle you to any rights as a shareholder of the Company unless and until Shares are issued to you upon settlement of the Units as provided in Section 5.

1. **Termination of Service.**

(a) Upon your termination of Service due to death during a Performance Period, your unvested Units (at target level), including any credited Dividend Equivalent Units, shall immediately vest one hundred percent (100%) and shall be paid as soon as administratively feasible in accordance with Section 5(b) hereof.

(b) Upon your termination of Service due to Disability during a Performance Period, your unvested Units (at target level), including any credited Dividend Equivalent Units, shall immediately vest one hundred percent (100%) and shall be paid to you (or your personal representative) as soon as administratively feasible in accordance with Section 5(a) hereof.

(c) Upon your termination of Service due to your Retirement (as defined herein):

(1) during any Performance Period, you will be eligible to have your Award vest on the last day of the Performance Period equal to the number of Units that would have otherwise vested in accordance with the terms of Exhibit A (subject to adjustment under Exhibit B) had you not retired.

1. For purposes of this Award, "Retirement" means any voluntary termination of your Service by you that occurs at or after you have attained at least age 55 with 10 years or more of continuous Service, provided that no less than three months and no more than six months prior to your termination of Service you provided notice to the Company of your intention to retire.

(d) After you have attained at least age 55 with 10 years or more of continuous Service, upon your termination of Service during the Performance Period by the Company other than for Cause or by you without notice and other than due to death or Disability, you will be eligible to have a pro rata portion of your Award vest on the Vesting Date, such pro rata portion to be equal to the number of Units that would otherwise vest in accordance with the terms of Exhibit A (subject to adjustment under Exhibit B) had there not been a termination of Service, multiplied by a fraction whose numerator is the number of whole months during which you were providing Service during the Performance Period and whose denominator is the length of the Performance Period, expressed as a number of months.

(e) Upon your termination of Service during the Performance Period under any circumstances other than those set forth in Sections 3(a), (b), (c) and (d) above (including due to a retirement that does not meet the definition of "Retirement" set forth in this Agreement), your unvested Award shall be forfeited on the date of such termination. If a termination of Service occurs on the last business day of the Performance Period, then you will be deemed to have served through the remainder of the Performance Period.

1. **Vesting of Awards**.

(a) Performance Stock Units. Subject to Section 3 above, Units shall vest only if, and to the extent, the performance goals set forth in Exhibit A have been achieved, subject to adjustment under Exhibit B, during the Performance Period. If, and to the extent that, any one or more of the performance goals have not been achieved at Threshold level during the Performance Period, your rights to the portion of the Award tied to such unachieved performance goal shall be immediately and irrevocably forfeited as of the last day of such Performance Period (unless previously forfeited pursuant to Section 3 above). The Committee shall determine, in its sole discretion, and certify, whether and to what extent the performance goals have been satisfied as soon practicable after the completion of the Performance Period.

(b) Restrictive Covenants. Any vesting of this Award is conditioned on your compliance with Section 13. Notwithstanding the vesting and subsequent payment of this Award, it shall remain subject to the provisions of Section 13 of this Agreement.

1. **Payment of Vested Awards**.

(a) Timing and Form of Payment. As soon as administratively feasible following the Vesting Date, but in no event later than March 15 of the year following the calendar year of the Vesting Date, the Company shall cause to be paid to you in settlement of each vested Unit (including any credited Dividend Equivalent Units), with respect to (i) 70% of the vested Units, one Share, and (ii) 30% of the vested Units, cash in an amount equal to the Fair Market Value of one such Share as of the preceding business day to such payment date. Payments shall be made in a lump sum.

(b) Payment upon Death. In the event of your death, amounts that otherwise would have become payable to you in accordance with Section 3(a) will be paid in cash, in an amount equal to the Fair Market Value of one such Share as of the preceding business day to such payment date, to your designated beneficiary (if such beneficiary has been designated in accordance with the Plan), or if no beneficiary is designated, in accordance with Section 6(d) of the Plan.

1. **Dividend Equivalents**. When the Company declares a cash dividend on its Shares, dividend equivalents equal in amount to the dividends payable (at the normal common stock declared dividend rate) on a number of Shares equal to the number of Units subject to the Award (at target level) held by you on a dividend record date occurring after the Grant Date and prior to the Vesting Date shall be deemed reinvested in additional Units as of the dividend payment date and credited to your account as additional Units. The number of additional Units so credited shall be determined based on the Fair Market Value of a Share on the dividend payment date. Any additional Units so credited will be subject to the same terms and restrictions applicable to the underlying Awards as provided in this Agreement.

1. **Changes in Capitalization of the Company**. If there is any equity restructuring or other change in the Company's corporate capitalization as described in Section 12(a) of the Plan, the Committee shall determine the appropriate adjustment, if any, to each Award as provided in Section 12(a) of the Plan.

1. **Change in Control**. If any Change in Control occurs, provided that your Service continues to the date of the Change in Control, then:

(a) Your then-outstanding Performance Stock Unit Award shall immediately vest and all performance conditions shall be deemed satisfied as if target performance was achieved.

a. Any Awards vested pursuant to Section 8(a) shall be settled in cash, Shares or a combination thereof, as determined by the Committee, in accordance with the timing set forth in Section 5, unless Section 8(c) applies.

a. If a Change in Control which also constitutes a change in control of the Company as defined by Code Section 409A (a "409A Change in Control") occurs, any payment due under this Agreement will be made within 30 days following such 409A Change in Control.

1. **Recoupment.** In addition to the provisions in Section 13 of this Agreement, this Award and any compensation associated with may be made subject to forfeiture, recovery by the Company or other action, at any time, (a) in accordance with the Xcel Energy Inc. Mandatory Compensation Recovery Policy for Section 16 Officers, the Xcel Energy, Inc. Compensation Recovery Policy for Covered Employees, and any other compensation recovery, recoupment or forfeiture policies adopted by Xcel Energy from time to time, and (b) to the extent required by any law, rule of the Securities and Exchange Commission or any listing standard of the securities exchange upon which the Company's stock is listed, and this Award will be automatically amended to comply with any compensation recovery requirement.

1. **Withholding.** The Company may require you to remit to it, or may withhold from the settlement of an Award or from your other compensation, an amount sufficient to satisfy any applicable federal, state or local tax, employment, FICA or other mandated withholding requirements in regard to the Award in the year or years the Award becomes taxable to you. You may elect in accordance with the Plan to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares otherwise payable in settlement of an Award at the rate the Committee determines satisfies applicable withholding requirements of the Code. For this purpose, Awards will be valued using the Fair Market Value of a Share as of the preceding business day to such withholding date. If no election is made, you will be deemed to have elected Shares to be withheld.

1. **Plan Incorporated by Reference; Electronic Delivery.** The Award is subject in all respects to the terms and conditions of the Plan, which is controlling, and which shall be deemed incorporated into this Agreement. The Company, or a third party designated by the Company, may deliver to you by electronic means any documents related to your participation in the Plan. By accepting this Agreement, you acknowledge receipt of a copy of the Plan.

1. **No Right to Employment.** Nothing in this Agreement shall limit the right of the Company or any of its Affiliates to terminate your Service as provided in Section 13 of the Plan.

1. **Restrictive Covenants.**

(a) Non-Disclosure and Return of Confidential Information. During your Service you have or will be given access to and provided with information proprietary to Xcel Energy and not generally known (including trade secret information) about Xcel Energy's products, services, personnel, technology, research, development, methods, processes, systems, marketing plans, business strategies and plans, merger and acquisition strategies and targets, financial and pricing information, computer programs, source codes, models and databases, analytical models, customer lists and information, and supplier and vendor lists and information (collectively, "Confidential Information"). You agree not to disclose or use Confidential Information, either during or after your Service, except as required by subpoena or other legal process, in which event you will give Xcel Energy's Chief Legal and Compliance Officer prompt notice of such subpoena or other legal process in order to permit Xcel Energy and any affected individual to seek appropriate protective orders. You further agree to return any and all Confidential Information, whether in hard or electronic format, regardless of the location on which such information may reside, no later than the date of your termination of Service.

Notwithstanding any other language in this Agreement to the contrary, you understand that you may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and you do not disclose the trade secret except pursuant to a court order. Additionally, notwithstanding any other language in this Agreement to the contrary, nothing in this Agreement prohibits you from providing confidential information to a government agency or otherwise participating in lawful investigation by any government agency. [*Notice for Colorado employees*: This paragraph 13(a) does not restrain you from disclosing (orally or in writing) the underlying facts of any alleged discriminatory or unfair employment practice: (1) to your immediate family members, religious advisor, medical or mental health provider, mental or behavioral health therapeutic support group, legal counsel, financial advisor, or tax preparer; (2) to any local, state, or federal government agency for any reason without first notifying Xcel Energy; (3) in response to legal process, such as a subpoena to testify at a deposition or in a court without first notifying Xcel Energy; or (4) for all other purposes as required by law. Also, the disclosure of the underlying facts of any alleged discriminatory or unfair employment practice within these parameters (which comply with C.R.S. § 24-34-407(1)(b)) does not constitute disparagement. The portion of this Non-Disclosure provision (with respect to any limitation on the ability of you/employee to disclose or discuss any alleged discriminatory or unfair employment practice) applies to Xcel Energy as well.]

a. No Solicitation. During your Service, and for a period of two years after the end of your Service for any reason, you agree that you will not, directly or indirectly, solicit or encourage any Xcel Energy employee, contractor or vendor with whom you have had contact or about whom you have obtained information to terminate, curtail, fail to renew a relationship or otherwise adversely change its relationship with Xcel Energy, [*Notice for Colorado employees*: this applies only to the extent the foregoing activities involve the use, disclosure, and/or misappropriation of trade secrets as defined by the Colorado Uniform Trade Secret Act, C.R.S. Sec. 7-74-101, et seq.,] and you agree you will not provide any information to any other person or entity for use in any similar attempt to do the same.

a. No Competition. Where permitted by law including state and local law, for one year following your termination of Service for any reason, you shall not, directly or indirectly, on your own behalf or on behalf of any person or entity, become employed, engaged or involved with any business that is engaged in or planning to become engaged in any business competitive with the business of Xcel Energy in a position that involves: (i) providing services that relate to or are similar in nature or purpose to the services you performed for Xcel Energy during your previous two years of Service if such services involve business or regulatory strategies; methodologies or strategies relating to the generation, transmission, brokering, marketing, distribution, development, acquisition, or sale and delivery of electric power or generation capacity; electric commodity trading and origination activities and strategies; and services to gas and electric customers that provide them with options and the ability to reduce usage; or transmission, brokering, marketing or sale and distribution of natural gas; (ii) supervision, management, direction or advice regarding such services; or (iii) products, services and business activities as to which you had access to Confidential Information in the two years preceding your termination of Service. [FOR COLORADO EMPLOYEES ONLY: The restrictions on competitive activities delineated in this Section 13(c) shall be limited only to those activities which involve the use, disclosure, and/or misappropriation of trade secrets as defined by the Colorado Uniform Trade Secret Act, C.R.S. Sec. 7-74-101, et seq.] [FOR MINNESOTA EMPLOYEES ONLY: This paragraph does not apply]

a. Breach of Restrictive Covenant. If you breach your obligations to Xcel Energy under any of the provisions of this Section 13, then (i) you shall immediately forfeit this Award (whether vested or unvested) and any right to receive Shares or cash that has not yet been paid pursuant to Section 5, (ii) with respect to Shares that have been issued pursuant to this Award, you shall (A) return such Shares to the Company, or (B) pay to the Company in cash an amount equal to the Fair Market Value of such Shares as used by the Company in initially determining settlement, and (iii) with respect to cash that has been paid pursuant to Section 5, you will repay that amount to the Company. You further agree that if you violate any of the terms of this Section 13, then you will be liable to Xcel Energy for injunctive relief and damages in the full value of any Award paid under this Agreement.

1. **Section 409A of the Code.** The provisions of this Award and the Units granted hereunder are intended to comply with or be exempt from the requirements of Code Section 409A, and to the maximum extent permitted this Agreement shall be limited, construed and interpreted in accordance with such intent. Each amount to be paid under this Agreement shall be construed as a separate and distinct payment for purposes of Code Section 409A. Notwithstanding anything to

the contrary in this Agreement, with respect to any Award that constitutes a deferral of compensation subject to Code Section 409A:

(a) If any amount is payable under such Award upon a termination of Service, a termination of Service will be deemed to have occurred only at such time as you have experienced a "separation from service" as such term is defined for purposes of Code Section 409A.

a. If any amount shall be payable with respect to such Award as a result of your "separation from service" at such time as you are a "specified employee" as designated by the Company in its discretion within the meaning of Code Section 409A, then no payment shall be made, except as permitted under Code Section 409A, prior to the first business day after the earlier of (i) the date that is six months after your separation from service or (ii) your death.

1. **Participant Acceptance**. You shall signify acceptance of this Agreement, including, if applicable to you, that you will abide by the Xcel Energy Stock Ownership Policy, by signing in the space provided below and returning a signed copy to the Company, or if available, by providing an electronic signature[, within the time frames specified by the Company's Human Resources department].

1. **Mandatory Binding Arbitration.** You agree that any and all disputes related to the Award including but not limited to, eligibility, vesting, distribution and payment, withholding, targets, effect of termination of Service or rights related to an amendment or termination of the Plan, will be subject to mandatory binding arbitration in Minneapolis, Minnesota before the American Arbitration Association. You agree that you will be responsible for bearing your share of the costs to arbitrate. [FOR COLORADO EMPLOYEES ONLY: Any action pertaining to the restrictive covenants in Section 13 shall be brought in state or federal court in Colorado and shall be governed by Colorado law.]

1. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1. **Securities Law Matters.** The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange), as may be determined by the Company to be applicable, are satisfied.

1. **Headings.** Headings are given to sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

1. **Definitions.**

(a) The term "business day" means any day other than a Saturday, Sunday or other day on which the principal national securities exchange on which the Company's common stock is then listed is not open for business.

a. The term "Committee" shall also include those persons to whom authority has been delegated under the Plan.

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents and that they set forth the entire Agreement between you and the Company regarding this Award of Units.

XCEL ENERGY INC.

By:

[NAME]
[TITLE]

ACCEPTED:

Participant Signature

Date

[FOR COLORADO EMPLOYEES ONLY: Note that this Agreement shall not be effective until 14 days after the date you sign it.]

**ADDENDUM FOR COLORADO EMPLOYEES ONLY**
**[employees outside of Colorado do *not* need to sign]**

By signing below, Xcel Energy and Participant attest that the Xcel Energy Inc. 2024 Equity Incentive Plan, including the confidentiality provisions within the Agreement at Section 13, comply with C.R.S. § 24-34-407(1) (the Colorado POWR Act).

Dated:_____
Participant Signature

Dated: _____ _____
Xcel Energy Inc.
Name: _____
Title: _____

Exhibit 10.30

**AIRCRAFT TIME SHARING AGREEMENT**

**Effective February 25, 2025,**

**between**

**XCEL ENERGY SERVICES INC.,**
**as Operator,**

**and**

**CHIEF EXECUTIVE OFFICER**
**of Operator**

**AIRCRAFT TIME SHARING AGREEMENT**

**THIS AIRCRAFT TIME SHARING AGREEMENT** dated this 25th day of February, 2025 (the "Effective Date"), by and between XCEL ENERGY SERVICES INC., a Delaware corporation (the "Operator" or the "Company"), and the Chief Executive Officer of Operator ("Executive").

WHEREAS, Operator controls and operates under lease those certain aircraft described on Schedule 1, attached hereto, for the business of the Company (the "Aircraft");

WHEREAS, Operator employs or contracts for the services of a fully qualified flight crew to operate the Aircraft;

WHEREAS, in order to protect the safety and security of Executive and maximize his availability to carry out his responsibilities with maximum efficiency and confidentiality, the Company desires to make available to Executive, an Aircraft from time to time on a time sharing basis permitted by FAA regulations (referred to as the "Federal Aviation Regulations" or "FARs") as set forth in in 14 C.F.R. Section 91.501(c)(1);

WHEREAS, Executive desires to sublease the Aircraft, with a flight crew, from Operator pursuant to a "time sharing agreement" as defined in in 14 C.F.R. Section 91.501(c)(1) of FARs; and

WHEREAS, Operator is willing to sublease the Aircraft, with flight crew, to Executive on such a time sharing basis.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. **LEASE; TERM**

(a) Lease Term. Executive hereby agrees to lease each Aircraft from time to time on an hourly basis from Operator, and Operator hereby agrees to lease the Aircraft from time to time to Executive, pursuant to the terms and conditions in this Agreement. This Agreement shall commence on the date first written above and shall remain in effect until terminated by either party on not less than 31 days' notice or terminated earlier pursuant to Section 8, below.

(b) Availability and Delivery. Each use of an Aircraft under this Agreement shall be on a non-exclusive and "as needed, as available" basis. Each Aircraft shall be available to Executive and to other lessees when not in use by Operator for Operator's own business, and Operator shall use reasonable business efforts to schedule use of the Aircraft on an as needed, first-come, first-service basis, as discussed in Section 4, below. The Aircraft shall be delivered to Executive for each usage at the Minneapolis-St. Paul International Airport (KMSP), unless otherwise agreed by the parties.

**2 . USE OF AIRCRAFT**

(a) FAR Part 91Use Only. Notwithstanding anything herein to the contrary, during the times the Aircraft is leased to Executive, Executive's use of the Aircraft shall be restricted to use for Executive's own use and the carriage of Executive's representatives, agents, family and guests, and property in accordance with FAR Part 91, and specifically under a time sharing agreement as defined in 14 C.F.R. Section 91.501(c)(1). Executive shall not use the Aircraft in commercial or common carriage, nor shall Executive otherwise use the Aircraft on a compensatory basis except to the limited extent permitted by Section 91.501 of the FARs.

(b) Operational Control. It is hereby jointly agreed and acknowledged between Operator and Executive that during all phases of flights conducted under this Agreement, Operator shall have sole operational control over the Aircraft, aircrew and maintenance. "Operational control" shall mean, consistent with 14 C.F.R. § 1.1 and FAA guidelines, the exercise of authority over initiating, conducting or terminating a flight. Operator shall exercise complete control over the phases of operation of the Aircraft requiring aviation expertise for all flights under this Agreement. Operator shall also maintain possession, command and control of the Aircraft during all uses hereunder, in accordance with Internal Revenue Service Ruling 58-215.

(c) Flight Crews. Operator shall be solely responsible for supplying a flight crew for Executive's operations hereunder, and any such flight crews shall be agents of Operator, including contract pilots. Operator shall ensure that all flight crews (i) are FAA certified and duly qualified to operate the Aircraft in accordance with all applicable laws and regulations; and (ii) meet the applicable requirements of Operator's insurance policies in Section 6 of this Agreement.

(d) Pilot-in-Command. Operator and Executive acknowledge and agree that, contrary provisions of this Section 2 notwithstanding, (i) the pilot-in-command ("PIC") of any flight, in her or his sole discretion, may terminate the flight, refuse to commence the flight, or take any other flight-related action which in her or his sole judgment is necessitated by considerations of safety, (ii) the PIC of any flight shall have final and complete authority to postpone or cancel the flight for any reason or condition which in his or her judgment would compromise the safety of the flight, and (iii) no such action of the PIC shall create or support any liability for loss, injury, damage or delay to Operator.

**3. EXPENSES AND TAXES**

(a) For each flight conducted under this Agreement, Operator may charge and Executive shall pay up to an amount equal to the expenses listed below incurred directly related to the flight in accordance with 14 C.F.R. Section 91.501(d):

1. Fuel, oil, lubricants, and other additives;
2. Travel expenses of the crew (including contract pilots), including food, lodging and ground transportation;
3. Hangar and tie down costs away from the Aircraft's base of operation;
4. Insurance if obtained for the specific flight;
5. Landing fees, airport taxes and similar assessments including, but not

limited to, Internal Revenue Code Section 4261 and related excise taxes (see paragraphs (b) and (c) of this Section 3, below);
6. Customs, foreign permit, and similar fees;
7. In-flight food and beverages;
8. Flight planning and weather contract services; and
9. An additional charge up to 100 percent of the expenses listed in 3(a)1 above.

The amount to be paid by Executive under this Section 3 shall be referred to as the "Time Sharing Fee." The Time Sharing Fee shall never exceed the amount permitted under FAR Section 91.501(d).

(b) Commercial Air Transportation Excise Taxes. Executive and Operator intend that all Executive's flights will be considered "noncommercial" for purposes of Part 91 of the FARs. Executive acknowledges that all of Executive's flights will nevertheless be subject to commercial air transportation excise taxes pursuant to Internal Revenue Code Section 4261, if applicable.

(c) Taxes. Executive shall be responsible for any and all taxes (other than those based on Operator's income, franchise, business and occupation taxes or personal property tax), including but not limited to commercial air transportation excise taxes, sales, use, embarkation or passenger departure taxes, customs duties, charges or levies of the United States, any state or local government or any foreign government related to Executive's use, possession, or lease of the Aircraft (collectively "Taxes"). Except as otherwise specified on any applicable invoice, neither the expenses to be reimbursed nor any other payments to be made by Executive under this Agreement includes the amount of any such Taxes which may be assessed or levied by any taxing jurisdictions as a result of the lease of the Aircraft to Executive, or the use of the Aircraft by Executive. Executive shall be responsible for, shall indemnify and hold harmless Operator against, and shall remit to Operator all such Taxes together with each payment hereunder at the time required by applicable law.

(d) Invoices and Payment. Operator will initially pay all expenses related to the operation of the Aircraft when and as such expenses are incurred, and invoice Executive for any reimbursable expenses. Executive shall pay such invoices within 30 days of receipt of the invoice.

(e) Title; No Liens. Title to each Aircraft and all equipment subject to this Agreement is retained by the lessor indicated next to the applicable Aircraft on Schedule 1, attached hereto at all times. Executive may not pledge or encumber an Aircraft in any manner whatsoever, nor permit any liens, other than liens arising by operation of law or liens solely attributable to Operator, to attach thereto, and Executive shall promptly cause to be removed any such lien which may be placed on the Aircraft as a result of Executive's action or inaction hereunder.

**4. FLIGHT SCHEDULING**

(a) Flight Requests. Executive will submit requests for flight time and proposed flight schedules to Operator as far in advance of any given flight as possible, and in any case, at

least 72 hours in advance of Executive's planned departure. Requests for flight time shall be in a form, whether written or oral, mutually convenient to, and agreed upon by the parties. In addition to the proposed schedules and flight times, Executive shall provide at least the following information for each proposed flight at least 72 hours prior to scheduled departure:

1. Proposed departure point;
2. destination;
3. date and time of flight;
4. the number of anticipated passengers;
5. the nature and extent of luggage and/or cargo to be carried;
6. the date and time of return flight, if any; and
7. any other information concerning the proposed flight that may be pertinent or required by Operator or Operator's flight crew.

(b) Operator's Scheduling Authority. Operator shall be under no obligation to approve any flight request submitted by Executive, and shall have final authority over the scheduling of an Aircraft, provided, however, that Operator will use reasonable efforts to accommodate Executive's needs and avoid conflicts in scheduling. Executive shall be responsible for scheduling any ground transportation to and from departure and destination locations. The parties shall cooperate in good faith to resolve any conflicts in scheduling.

**5. MAINTENANCE**

Operator shall be solely responsible for maintenance, preventive maintenance and required or otherwise necessary inspections of the Aircraft and shall take such requirements into account in scheduling the Aircraft. If Operator determines any repair or maintenance should be completed prior to any flight, Operator shall not operate the Aircraft until such time as certified and qualified mechanics have completed such repairs or maintenance. No period of maintenance, preventative maintenance, or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft, unless said maintenance or inspection can be safely conducted at a later time in compliance with all applicable laws and regulations, and with the sound discretion of the Director, Aviation Services.

**6. INSURANCE**

(a) Required Coverage. Operator shall maintain, or cause to be maintained, with respect to the Aircraft and operations thereof, (a) comprehensive aircraft liability insurance against bodily injury or property damages claims including, without limitation, contractual liability, premises liability, death and property damage liability, public and passenger legal liability coverage, and sudden accident pollution coverage in an amount not less than $100,000,000 for each single occurrence, (b) personal injury liability in an amount not less than $25,000,000; but in no event shall the amounts of liability coverage required be less than the coverage amounts as may then be required by applicable law, and (c) aircraft hull insurance in the amount of the market value of the Aircraft, as determined by the Operator, or as required by any applicable lease of the Aircraft to Operator. Operator will name Executive as an additional insured on any liability policy and will provide Executive with a certificate of insurance from time to time upon request. Operator will use commercially reasonable efforts to provide such

additional insurance coverage as Executive shall request or require, provided, however, that the cost of such additional insurance shall be borne by Executive as set forth in Section 3, above.

(b) Limitation of Liability. Each party agrees and acknowledges that the insurance required by Section 6(a) above shall be and provide its sole recourse against the other party for all claims, losses, liabilities, obligations, demands, suits, judgments, causes of action, penalties, fines, costs, and expenses of any nature whatsoever, including attorneys' fees and expenses, for or on account of, arising out of, or in any way connected with the use or operation of the Aircraft under this Agreement, including injury or death of any persons, including Executive and its guests.

**7. REPRESENTATIONS AND WARRANTIES**

(a) Representations and Warranties of Executive. Executive represents and warrants to Operator that Executive has full authority to enter into and fulfill this Agreement and has taken all steps and has done all acts required by applicable law to permit Executive to enter into and fulfill this Agreement, and upon execution, this Agreement shall become the legal, valid and binding obligation of Executive, enforceable in accordance with its terms. Executive will use the Aircraft solely for and on account of Executive's personal or business use pursuant to the provisions of 14 C.F.R. Section 91.501(b)(6), and in any event Executive will not use the Aircraft for the purpose of providing transportation of passengers or cargo for compensation or hire.

(b) Representations and Warranties of Operator. Operator represents and warrants to Executive that Operator has full authority to enter into and fulfill this Agreement and has taken all steps and has done all acts required by applicable law to permit Operator to enter into and fulfill this Agreement, and upon execution, this Agreement shall become the legal, valid and binding obligation of Operator, enforceable in accordance with its terms.

(c) Disclaimer; Limitation of Liability. EXCEPT AS EXPRESSLY STATED TO THE CONTRARY HEREIN, THE AIRCRAFT IS BEING LEASED BY THE OPERATOR TO THE EXECUTIVE HEREUNDER ON A COMPLETELY "AS IS, WHERE IS" BASIS. THE WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF, AND OWNER DISCLAIMS AND OPERATOR WAIVES, ALL OTHER REPRESENTATIONS OR WARRANTIES OF EVERY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING FROM A COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE, INCLUDING, WITHOUT LIMITATION, REPRESENTATIONS AND WARRANTIES, WITH RESPECT TO THE AIRCRAFT, OF AIRWORTHINESS, VALUE, CONDITION, DESIGN, MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, CONSTRUCTION AND CONDITION, OPERATION, FITNESS FOR A PARTICULAR USE, ABSENCE OF LATENT AND OTHER DEFECTS WHETHER OR NOT DISCOVERABLE, ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AND QUALITY OF MATERIALS OR WORKMANSHIP. IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES ARISING FROM LOSS OF USE, LOSS OF REVENUE OR PROFIT, OR DIMINUTION IN VALUE OF THE AIRCRAFT.

**8. TERMINATION**

(a) By Operator. Operator may immediately terminate this Agreement upon the occurrence of any one of the following:

(i) In the event Executive fails to pay any sums due under this Agreement, and such failure is not corrected within 5 days after written notice by Operator to Executive; or

(ii) In the event Executive fails to observe or fulfill any term, condition and/or provision of this Agreement other than those specified in Sections 8(a)(i) and such failure is not corrected within 15 days after written notice by Operator to Executive.

(b) By Executive. Executive may immediately terminate this Agreement in the event Operator fails to observe or fulfill any term, condition and/or provision of this Agreement and such failure is not corrected within 15 days after written notice by Executive to Operator.

(c) Rights Upon Termination. Upon the termination of this Agreement, all rights of the Executive as to the Aircraft pursuant to this Agreement shall immediately cease and terminate. If the Operator terminates this Agreement as provided in this Section 8, Executive shall, notwithstanding such termination, be liable to the Operator for any amounts due under this Agreement.

**9. NOTICES**

All notices or other communications required under this Agreement shall be in writing and shall be effective when delivered personally or deposited in the U.S. mail, postage prepaid, and addressed to the parties at their respective addresses below or by email, unless by such notice a different party or address shall have been designated in writing (including email) from time to time.

If to Company: Xcel Energy Inc.
414 Nicollet Mall, 401-9
Minneapolis, MN 55401
Attn: SVP, Chief Human Resources Officer
Email:

If to Executive: Xcel Energy Inc.
414 Nicollet Mall, 401-9
Minneapolis, MN 55401
Attn: Chief Executive Officer
Email:

**10. MISCELLANEOUS**

(a) Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties as of the date hereof and supersedes all prior or independent, oral or written agreements, understandings, statements, representations, commitments, promises and

warranties made with respect to the subject matter of this Agreement. This Agreement may not be amended except in a writing signed by all parties.

(b) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibitions or unenforceability in any jurisdiction. To the extent permitted by applicable law, each of Operator and Executive hereby waives any provision of applicable law which renders any provision hereof prohibited or unenforceable in any respect.

(c) No Assignment. Neither party may assign its rights or obligations under this Agreement without the prior written permission of the other.

(d) Further Assurances. The parties hereto agree to cooperate with each other in effectuating this Agreement and, at the reasonable request of the other party, to execute and deliver such further documents or instruments and take such further actions as shall reasonably be requested in order to carry out the purposes of this Agreement.

(e) No Waiver. Neither party shall be deemed to have waived any breach by the other party of any provision of this Agreement unless it expressly does so in writing. If either party shall expressly waive any right hereunder, such waiver shall not be construed as a continuing waiver of other rights under the same or other provisions of this Agreement.

(f) Force Majeure. Either party shall be relieved of its obligations hereunder if the performance hereof is delayed or prevented or interrupted by any cause beyond its reasonable control, including, but not limited to, acts of God, public enemies, war, civil disorder, fire, flood, explosion, labor disputes or strikes, or any acts or orders of any governmental authority.

(g) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota (excluding its choice of law rules) and the United States of America.

(h) Costs of Action. In the event of any legal action or other proceeding concerning any term or condition of the Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs incurred in that action or proceeding in addition to any other relief to which it may be entitled.

**11. TRUTH IN LEASING**

**TRUTH IN LEASING STATEMENT UNDER SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.**

**(a) OPERATOR HEREBY CERTIFIES THAT EACH AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED FOR THE PAST 12 MONTHS (OR, IF EARLIER, SINCE THE DATE OF ITS DELIVERY FROM THE PREVIOUS OWNER OR OPERATOR), IN ACCORDANCE WITH THE PROVISIONS OF FAR PART 91 AND**

**ALL APPLICABLE REQUIREMENTS FOR THE MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET.**

**(b) EXECUTIVE AND OPERATOR WILL CONTINUE AT ALL TIMES UNDER THIS AGREEMENT TO MAINTAIN AND INSPECT THE AIRCRAFT UNDER FAR PART 91 FOR ALL OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.**

**(c) OPERATOR AND EXECUTIVE AGREE, CERTIFY AND KNOWINGLY ACKNOWLEDGE THAT WHEN THE AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, OPERATOR SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE OPERATOR OR THAT AIRCRAFT.**

(i) **THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.**

**(e) OPERATOR IS RESPONSIBLE FOR COMPLYING WITH THE TRUTH IN LEASING REQUIREMENTS SET FORTH IN SCHEDULE 2.**

**OPERATOR HEREBY ACKNOWLEDGES THIS TRUTH IN LEASING STATEMENT:**

**Signature: /s/ Patricia Correa**

**Name: Patricia Correa, Senior Vice President, Chief Human Resources Officer**

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Aircraft Time Sharing Agreement as of the date and year first written above.

**OPERATOR: EXECUTIVE:**

XCEL ENERGY SERVICES INC. ROBERT C. FRENZEL

By: /s/ Patricia Correa /s/ Robert C. Frenzel
Print: Patricia Correa
Title: Senior Vice President,
Chief Human Resources Officer

**Schedule 1**

**AIRCRAFT**

The following list of Aircraft is effective as of the date below and may be modified from time to time as Xcel Energy aircraft are replaced or terminated. This list may be amended without formal amendment to the Agreement by the parties initialing of a replacement Schedule 1 below. The parties acknowledge that addition of an Aircraft to this list may require FAA Truth in Leasing compliance in accordance with Schedule 2 to this Agreement.

| Aircraft Make and Model | Serial Number | Registration Number | Lessor |
|---|---|---|---|
| **Cessna Citation Sovereign CE-680** | **680-0112** | **N401MW** | **Banc of America Leasing & Capital LLC** |
| **Cessna Citation Sovereign CE-680** | **680-0266** | **N138KV** | **Banc of America Leasing & Capital LLC** |
| **Gulfstream G-280** | **2214** | **N235U** | **Banc of America Leasing & Capital LLC** |

Date: February 25, 2025

**Schedule 2**

**"TRUTH IN LEASING" REQUIREMENTS**
**FAR §91.23(c)**

(1) The Executive or the Operator must mail a copy of the Aircraft Time Sharing Agreement within 24 hours of its execution, to the Aircraft Registration Branch, Attn: Technical Section, P.O. Box 25724, Oklahoma City, Oklahoma 73125.

(2) A copy of the Aircraft Time Sharing Agreement must be carried in each Aircraft during operations under this Agreement. The copy of the Aircraft Time Sharing Agreement shall be made available for review upon request by the Administrator.

(3) The Executive or the Operator must notify by telephone or in person the FAA Flight Standards district office nearest the airport where the first flight for an Aircraft hereunder will originate. Unless otherwise authorized by that office, the notification shall be given at least 48 hours before takeoff in the case of the first flight of that Aircraft under the Aircraft Time Sharing Agreement or contract and inform the FAA of:

(i) The location of the airport of departure;
(ii) The departure time; and
(iii) The registration number of the Aircraft involved.

(4) The copy of the Aircraft Time Sharing Agreement furnished to the FAA is commercial or financial information obtained from a person. It is, therefore, privileged and confidential and will not be made available by the FAA for public inspection or copying under 5 U.S.C. 552(b)(4) unless recorded with the FAA under part 49 of this chapter.

**Exhibit 23.01**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING**

We consent to the incorporation by reference in Registration Statement No. 333-278797-04 on Form S-3 of our report dated February 27, 2025, relating to the financial statements of Northern States Power Company, a Minnesota corporation, appearing in this Annual Report on Form 10-K of Northern States Power Company, a Minnesota corporation, for the year ended December 31, 2024.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
February 27, 2025

**Exhibit 31.01**

**CERTIFICATION**

I, Robert C. Frenzel, certify that:

1. I have reviewed this report on Form 10-K of Northern States Power Company (a Minnesota corporation);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: Feb. 27, 2025

/s/ ROBERT C. FRENZEL
Robert C. Frenzel
Chairman, Chief Executive Officer and Director

**Exhibit 31.02**

**CERTIFICATION**

I, Brian J. Van Abel, certify that:

1. I have reviewed this report on Form 10-K of Northern States Power Company (a Minnesota corporation);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: Feb. 27, 2025

/s/ BRIAN J. VAN ABEL
Brian J. Van Abel
Executive Vice President, Chief Financial Officer and Director

**Exhibit 32.01**

**OFFICER CERTIFICATION**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Northern States Power Company, a Minnesota corporation (NSP-Minnesota), on Form 10-K for the year ended Dec. 31, 2024, as filed with the SEC on the date hereof (Form 10-K), each of the undersigned officers of NSP-Minnesota certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of NSP-Minnesota as of the dates and for the periods expressed in the Form 10-K.

Date: Feb. 27, 2025

/s/ ROBERT C. FRENZEL
Robert C. Frenzel
Chairman, Chief Executive Officer and Director

/s/ BRIAN J. VAN ABEL
Brian J. Van Abel
Executive Vice President, Chief Financial Officer and Director

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NSP-Minnesota and will be retained by NSP-Minnesota and furnished to the SEC or its staff upon request.

| Allocation | Allocation Method | Reasonableness of Allocation Method | Allocation Percent |
|---|---|---|---|
| Labor Related Overhead | Based on employee related expenses, office equipment, and supervision of the service provider. | This allocation represents the relationship between the costs to support labor with labor costs, and is applied to loaded labor. | 36.8641% |
| Corporate Residual | Two-Factor Allocator based on number of employees and revenues relative to NSPM totals. | This allocation represents a fair comparison of the non-regulated business' relative size to the total company and is applied to the prior year actual pool of expenses incurred on behalf of the corporation. | Customer Owned Street Lighting - 0.368641%<br>ConnectSmart - 0.368641% |
| Customer Accounting | Based on common costs in the FERC Customer Account, Customer Service and Sales Expenses categories relative to NSPM total revenue. | This allocation represents the relationship between the customer accounting costs to total revenue and is applied to non-regulated revenue. | 0.7064% |