

**Northern States Power Company Minnesota - South Dakota**

Cost of Long Term Debt

December 31, 2011

Issue A	Amount Issued B	Net Proceeds C	Amortization				Total Annual Cost H	Capital Cost % D
			Hedge D	Discount E	Expense F	Interest G		
First Mortgage Bonds								
8.000%	450,000,000	444,313,265		450,000	119,000	36,000,000	36,569,000	8.13%
1.950%	250,000,000	247,175,879		99,000	466,000	4,875,000	5,440,000	2.18%
5.250%	500,000,000	488,497,492	(517,000)	153,000	484,000	26,250,000	26,370,000	5.27%
7.125%	250,000,000	245,721,667		78,000	63,000	17,812,500	17,953,500	7.18%
6.500%	150,000,000	146,754,115		59,000	49,000	9,750,000	9,858,000	6.57%
5.250%	250,000,000	246,482,886		16,000	101,000	13,125,000	13,242,000	5.30%
6.250%	400,000,000	409,921,275	540,000	47,000	162,000	25,000,000	25,749,000	6.44%
6.200%	350,000,000	345,569,157	189,000	66,000	144,000	21,700,000	22,099,000	6.31%
5.350%	300,000,000	291,067,479	(107,000)	19,000	139,000	16,050,000	16,101,000	5.37%
4.850%	250,000,000	246,478,379		24,000	101,000	12,125,000	12,250,000	4.90%
Pollution Control								
6.543%	27,900,000	26,739,784			52,000	1,825,497	1,877,497	6.73%
6.543%	50,000,000	48,927,434			55,000	3,271,500	3,326,500	6.65%
6.543%	50,000,000	48,924,886			55,000	3,271,500	3,326,500	6.65%
6.543%	69,000,000	68,652,119			45,000	4,514,670	4,559,670	6.61%
Total interest	\$3,346,900,000		105,000	1,011,000	2,035,000	195,570,667	\$198,721,667	5.94%
Amort.Loss/Gain on reacquired debt							2,111,000	
Fees on 5-year Cred Facility							706,000	
Total	\$3,346,900,000						\$201,538,667	

Embedded Cost of Long Term Debt:

6.02%

Source: NSP Response to Staff Data Request 2-12, Attachment B  
NSP Statement G, as Originally Filed

Schedule 2

Exhibit (BLC-1)