

## **Regulatory Assets, Liabilities, Deferred Debits, Deferred Credits**

The attached schedules report the Company's Regulatory Assets, Regulatory Liabilities, Deferred Debits and Deferred Credits in FERC Accounts 182.2, 182.3, 254, 186, and 253, respectively, as of December 31, 2019, December 31, 2020, and June 30, 2021. Along with a description of each item, the schedules also provide references to the guidance the Company has relied on in the establishment of the deferred balances.

These schedules are provided in accordance with The Findings of Fact, Conclusions of Law and Order in Docket G002/GR-09-1153 (December 6, 2010), Ordering Paragraph 9, which states:

In all future rate case filings, Xcel shall disclose if the utility has elected a rate recovery method alternative to a Federal [*sic*] Accounting Standards Board pronouncement in reliance on Statement of Financial Accounting Standards No. 71.

Each of these Accounts results from the application of ASC 980 *Regulated Operations* (formerly FAS 71) for accounting purposes. These Accounts have been applied for financial and reporting purposes, as described in the attached schedules. The effect of the application of ASC 980 *Regulated Operations* to the books and records of the Company results in recognized expense in the income statement being equal to the amounts that are recovered for those specific items in rates for the same period. In general, to the extent that more expense is deferred in a period than is currently recognized, it reflects a situation in which less is being recovered in rates than what would have otherwise been recognized in expense without the application of ASC 980 *Regulated Operations*. The result is a regulatory asset which will be recovered from ratepayers in the future. Conversely, to the extent that less expense is deferred in a period than is currently recognized, it reflects a situation in which more is being recovered in rates. The result is a regulatory liability which will be returned to ratepayers in the future.

NSP-Minnesota  
Regulatory Assets Schedule

ID	SAP Account	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Asset and Evidence of Regulatory Approval
RA-01a	1152011, 1403001	Conservation & Energy Management Program Costs - Minnesota Electric	19-258, 20-402	182.3	13,590,794	6,494,074	1,942,755	Northern States Power Minnesota (NSPM) is required to spend a percentage of gross electric operating revenues on energy conservation programs that result in a net reduction of energy use. The expenditures to run the electric Conservation Improvement Programs (CIP) are deferred to this account. The expenditures are amortized monthly as recovery is made from customers. Balances in the regulatory asset account reflects the amount of CIP expenditures that have not yet been recovered from customers. Balances in the regulatory liability account reflects the amount of CIP expenditures that have been over-recovered from customers. Under the incentive mechanism, NSPM's performance incentive is based on a percent of net benefits (to the customer) achieved. The performance incentive is calculated quarterly based on updated information. The incentive amount is originally recorded to FERC 186. When the total incentive amount is approved by the commission, the balance will be trued-up and reclassified from FERC 186 to this account.
RA-01b	1152011, 1403001	Conservation & Energy Management Program Costs - South Dakota Electric	EL19-019, EL 20-015	182.3	46,035	104,992	376,675	NSPM's Demand Side Management (DSM) program in South Dakota is similar to the DSM program in Minnesota. Conservation programs are approved by the South Dakota Public Utilities Commission (SDPUC). The SDPUC set program limits at 110% of the approved budget amount. NSPM is required to submit a filing annually starting May 1, 2013. The expenditures are deferred to this account and are recovered through an annual cost adjustment rider. The expenditures are expensed monthly as recovery is made from customers. The balance in the account reflects the CIP expenditures not recovered from customers.
RA-02	1408001, 1155001	North Dakota Environmental Cleanup	PU-15-514	182.3	13,088,217	10,441,052	9,933,827	The balance represents the North Dakota jurisdictional share of the Fargo Manufactured Gas Plant (MGP) remediation costs. Under the Tax Cuts and Jobs Act (TCJA) settlement agreement (Docket PU-18-156), NSPM will amortize \$1.25M deferred costs per year in exchange for retaining the TCJA savings beginning January 1, 2018. In fourth quarter 2019, the ND share of the gain on the Wescott asset sale was used to partially offset the remediation costs of the Fargo MGP site.
RA-03	1405001	Net of Tax AFUDC in Plant Adjustments	N/A	182.3	114,746,355	112,772,624	113,741,320	This account represents the amount required by FAS 109/ASC 740 associated with the calculation of deferred income taxes and the amount of rate recovery of those taxes for Allowance for Funds Used During Construction (AFUDC) equity. The balance will increase when more AFUDC equity is incurred versus AFUDC equity reversing through book depreciation. The balance will decrease when the opposite occurs.
RA-04	1418006	South Dakota Ratemaking Differences	F-3382, F-3422	182.3	3,426,250	3,420,250	3,467,250	South Dakota allows additional AFUDC at a gross-of-tax level for short-term Construction Work in Progress (CWIP). The amount is added to Plant in Service to ensure that South Dakota ratepayers pay for the cost of capital related to charges on short-term CWIP and is amortized over the remaining lives of the plant. The amount of AFUDC on short-term CWIP is determined by multiplying the gross-of-tax AFUDC rate by the average short-term CWIP. These entries are recorded quarterly.
RA-05a	1401001	Asset Retirement Recovery-Electric	RM07-7-000, Order #631, TAB 8	182.3	2,326,092,161	2,434,234,407	2,483,487,228	This account is used to recognize the differences between period costs associated with asset retirement obligations for financial reporting under ASC 360 and the cost recovery allowed by the various commissions. The balance consists of the accumulated accretion and depreciation calculated at the implementation of ASC 360 and the monthly accretion and depreciation from implementation to the current month.
RA-05b	1401001	Asset Retirement Recovery-Gas	Docket # RM07-7-000, Order #631, TAB 8	182.3	9,921,384	11,782,953	12,759,301	
RA-05c	1401001	Asset Retirement Recovery-Common	Docket # RM07-7-000, Order #631, TAB 8	182.3	293,822	336,698	358,567	
RA-06	1153006, 1406006	Sherco 3 Deferred Depreciation	12-961, 13-868, 15-826	182.3	7,546,945	7,043,815	6,792,251	In November 2011, Sherco Unit 3 suffered a catastrophic failure. Repairs and reassembly continued through Summer 2013. In the 2013 MN Electric rate case, the Minnesota Public Utilities Commission (MPUC) approved deferred accounting for Sherco Unit 3's 2013 depreciation expense. NSPM began amortizing the amounts deferred over 21 years beginning in 2014.

NSP-Minnesota  
Regulatory Assets Schedule

ID	SAP Account	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Asset and Evidence of Regulatory Approval
RA-07	1164001, 1420001	PI EPU Cancellation	13-868 PU-20-441	182.2	55,687,092	52,604,545	51,073,806	In 2009, the MPUC granted NSPM a Certificate of Need (CON) for an Extended Power Uprate (EPU) project at the Prairie Island (PI) nuclear generating plant. The total estimated cost of the EPU was \$294 million of which approximately \$78.9 million has been incurred, including AFUDC of approximately \$12.8 million. Subsequently, NSPM filed a resource plan update and a change of circumstances (COC) filing notifying the MPUC that there were changes in the size, timing and cost estimates for this project, revisions to economic and project design analysis and changes due to the estimated impact of revised scheduled outages. The information indicated further reduction to the estimated benefit of the uprate project. As a result, NSPM concluded that further investment in this project would not benefit customers. In February 2013, the MPUC issued an order terminating the CON for the PI EPU project. In its 2014 MN Electric rate case, NSPM received recovery of approximately \$59 million of deferred costs plus a debt-only return of 2.24 percent, to be recovered over 20.3 years. In November 2015, the FERC approved a request under FERC Docket ER15-698 to allocate approximately \$12 million of the deferred costs and a debt-only return to NSPM under the Interchange Agreement beginning on January 1, 2016 and continuing for 18.3 years. Per settlement reached in Docket PU-20-441, recovery of North Dakota's share of the PI EPU project costs was approved with amortization beginning on January 5, 2021.
RA-08	1311011, 1311016	Theoretical Depreciation Reserve Surplus	17-147	182.3	257,793,930	247,754,202	242,734,337	As a result of the order in the 2013 MN Electric rate case, NSPM was required to amortize a theoretical reserve surplus of approximately \$261M over 8 years and reduce customer bills accordingly. Since this is a deviation from the remaining life method of depreciation expense preferred by the FERC and is solely a state ratemaking tool, NSPM is required to record it as a regulatory asset. A three-year amortization of the remaining balance at December 31, 2013 (utilizing a 50/30/20 method) was approved as part of the 2014 MN Electric rate case. As of 12/31/2016, the theoretical reserve has been fully recognized. Per the MPUC's order in February 2018 in Docket 17-147, the balance will be amortized over the average remaining lives of the assets that set it up beginning in 2017 (generally 5-50 years).
RA-09a	1413001	Unrealized Gains on Decommissioning Trust	RM07-7-000, Order #631, TAB 8	182.3	166,086,201	210,845,472	269,567,074	This account will be debited to recognize the deferred tax (FAS 109) associated with the change in the unrealized gain for the qualified decommissioning balance.
RA-09b	1413001	Unrealized Gains on Decommissioning Trust - Contra	N/A	182.3	(166,086,201)	(210,845,472)	(269,567,074)	
RA-10a	1154006, 1407001	Power Contract Valuation Adjustment	N/A	182.3	77,670,169	62,133,376	55,217,372	Balance represents the remaining balance of long-term purchased power contracts for which the election has been made for the normal purchase normal sale (NPNS) exception under DIG C20. Prior to 2006, these contracts were marked-to-market, but since making the NPNS election, have been amortized on a straight-line basis over the life of the contract.
RA-10b	1154006, 1407001	Derivatives & Hedging - Retail Electric & Gas	N/A	182.3	0	2,187,620	0	Xcel Energy enters into derivative instruments to manage variability of future cash flows from changes in commodity prices in its electric and natural gas operations, which mitigates commodity price risk on behalf of electric and natural gas customers. Changes in fair value of derivative instruments are reflected as a regulatory asset or liability if there is a commission approved regulatory recovery mechanism in place. This balance represents the regulatory offset for commodity electric hedging derivatives that are in a liability position.
RA-11a	1156001, 1415092	Deferred Electric Commodity Costs - MN	N/A	182.3	0	6,523,188	31,790,983	Represents the under-collection of fuel costs allocated to the NSPM retail jurisdiction. When one of the retail jurisdictions is under collected, the amounts are recorded as a reduction in expense and as a regulatory asset on the balance sheet. As of June 30, 2021, the Minnesota and North Dakota jurisdictions were under-collected.
RA-11b	1156001, 1415092	Deferred Electric Commodity Costs - ND	N/A	182.3	0	0	3,738,446	
RA-12a	1160051, 1415051	Renewable Development Fund Rider-Costs (RDF)	20-766	182.3	391,950,000	425,950,000	459,950,000	Minnesota Statute 116C.779 requires NSPM to fund the Renewable Development Fund (RDF). This account contains the cumulative annual funding requirement recorded each January.
RA-12b	1160051, 1415051	Renewable Development Fund Rider-Drawdown (RDF)	20-766	182.3	(355,861,157)	(410,124,107)	(424,038,517)	This account represents RDF grants that have been paid. As grants are paid, they are either deferred for future recovery (MN) or expensed (WI). Grants are classified as power production, research and development, legislative mandates and Renewable Energy Production Incentive (REPI). Administrative fees are also charged to this account.
RA-12c	1160051, 1415051	Renewable Development Fund Rider-MN (RDF)	20-766	182.3	(5,690,274)	13,342,188	10,537,396	The MPUC approved the RDF rider in August 2004. Minnesota receives a jurisdictional allocation (MN, ND, SD) of power production projects and administrative costs; and 100% of the R&D, legislative mandates and REPI payments.

NSP-Minnesota  
Regulatory Assets Schedule

ID	SAP Account	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Asset and Evidence of Regulatory Approval
RA-13	1160061, 1415061	Minnesota Renewable Energy Standard Rider	17-818 19-732	182.3	41,772,412	100,148,730	143,613,508	The RES rider is designed to recover the Minnesota jurisdictional share of eligible investments and expenses related to the acquisition or ownership of electric resources to meet the requirements of the Renewable Energy Standard statute. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RA-14	1160076, 1415081	North Dakota Transmission Cost Recovery Rider	PU-20-406	182.3	0	288,643	416,353	The North Dakota TCR rider is intended to recover the North Dakota jurisdictional revenue requirements of electric transmission projects that support the growth of wind energy on the NSP system. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RA-15	1160076, 1415081	North Dakota Renewable Energy Rider	PU-20-426	182.3	74,920	0	0	The North Dakota Renewable Energy Rider (RER) is designed to recover costs associated with eligible renewable energy projects. Eligible projects must be at least partially located in ND and must have been granted an Advanced Determination of Prudence (ADP). Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RA-16	1160021, 1415031	South Dakota Infrastructure Rider	EL 20-026	182.3	0	0	334,973	Per the terms of the Settlement Agreement for the 2014 electric rate case and SD Docket EL 18-040, the Infrastructure Rider was approved to recover specifically evaluated and discrete costs for capital projects. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RA-17	1160016, 1415026	Gas Utility Infrastructure Cost Rider	19-664 20-799	182.3	26,226,097	26,134,783	24,767,976	The Gas Utility Infrastructure Cost (GUIC) rider includes recovery on incremental O&M and capital-related revenue requirements for project costs incurred to comply with gas pipeline safety programs.
RA-18a	1151031, 1402016	Benefit Cost Recovery Deficit (Pension Costs)	N/A	182.3	(86,386,542)	(80,586,855)	(77,382,170)	This account is used to track the costs associated with SFAS 158 (ASC 715-10-05) (Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans). The costs include qualified pension, nonqualified pension, and retiree medical expenses calculated in accordance with SFAS 87 (ASC 715-10-05) and SFAS 106 (ASC 715-10), which are recovered in rates in each of the applicable jurisdictions for these legal entities. There is no evidence that regulatory treatment would change and no evidence that there will be a SFAS 88 (ASC 715-30) curtailment/settlement. Therefore, under SFAS 71 (ASC 980-10-05) paragraph 9, it is probable that an asset exists related to these costs.
RA-18b	1151001, 1151006, 1151011, 1151021, 1402001, 1402006, 1402011	Benefit Cost Recovery Deficit (FAS 158)	N/A	182.3	482,976,565	458,498,086	441,698,212	
RA-19	1160006, 1415006	Costs to Relocate Facilities Underground	99-799, 04-1663	182.3	263,430	1,575,867	1,640,074	This account contains the unpaid balance due under the Minnesota retail electric jurisdiction City Requested Facility Surcharge (CRFS) program. Cities that request facilities in excess of NSP's standard installation (most often underground rather than overhead facilities) must pay the incremental cost of the special installation as a Contribution in Aid of Construction (CIAC). The CRFS program allows after-the-fact collection of the incremental costs directly from impacted customers. Recovery periods are generally 36 months or less.
RA-20	1160002, 1410001	Mankato/Cannon Falls Lease Normalization	N/A	182.3	39,129,884	36,433,464	34,653,194	This account is used to track the straight-lining of lease payments for power purchase agreements (PPAs) required under GAAP (FTB 85-3) versus what we actually pay in capacity payments. The Mankato Energy Center and Cannon Falls are currently included in the normalization.
RA-21	1159001, 1414001	Deferred Nuclear Outage Costs	07-1489, PU-07-774, EL07-035	182.3	60,285,087	38,092,928	44,088,980	Nuclear refueling outage costs are being deferred and amortized over the expected period between outages (generally 18-24 months).
RA-22	1163001, 1419001	Transmission Formula Rates	N/A	182.3	9,420,988	12,065,450	11,344,920	Represents the amounts that will be received from customers in the true-up factor under transmission formula rates.
RA-23	1160046	South Dakota Property Tax Collected in the Fuel Clause Adjustment	EL14-058	182.3	464,076	0	68,229	As part of the settlement agreement in NSPM's 2014 retail rate case in South Dakota, the language in the Fuel Clause Rider was modified to allow for the collection of ad valorem taxes as permitted by SDCL §49-34A-25. NSPM will annually calculate the difference between the amount of property taxes forecast for the current calendar-year and the amount included in base rates, plus a true-up for prior year actual property tax recorded compared to that year's forecast, and include 1/12th of this difference with the monthly fuel clause calculations. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.

NSP-Minnesota  
Regulatory Assets Schedule

ID	SAP Account	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Asset and Evidence of Regulatory Approval
RA-24	1160091, 1415094	Minnesota Electric Vehicle Tariff	15-111, 17-817, 18-643, 19-186	182.3	615,306	1,471,489	1,744,148	NSPM offers an electric vehicle service tariff to owners of electric vehicles. The tariff offers discounts for off-peak battery charging. The deferral of marketing and promotion costs was approved as part of the tariff. It is anticipated that the costs will be recovered through a future MN electric rate case.
RA-25	1160090, 1415092	2019 Minnesota Revenue Decoupling	13-868, 15-826, 19-127	182.3	28,042,618	5,661,851	0	The revenue decoupling mechanism is designed to recover the fixed costs regardless of sales such that NSPM would be indifferent to customer usage/conservation. Customer classes eligible for revenue decoupling are residential, residential with space heating and small commercial non-demand. The balance in this account represents the difference between the actual revenues and allowed revenues under the decoupling mechanism. Remaining amounts were collected from customers April 2020 – March 2021, and the program was discontinued effective January 1, 2020.
RA-26	1160081	Renewable*Connect Classic	19-33, 19-196, 19-270, 20-380	182.3	4,516,740	6,747,522	7,859,220	The Renewable*Connect program is a renewable energy program that customers can elect to participate in. By participating in Renewable*Connect customers will receive a Renewable*Connect charge on their bill that replaces the fuel clause charge. The balance represents the difference between Renewable*Connect revenues and expenses.
RA-27	1160081	Renewable*Connect Government	19-33, 19-196, 19-270, 20-380	182.3	179,769	245,326	284,485	The Renewable*Connect Government program is a renewable energy program created for the government agencies to enroll in. By participating in Renewable*Connect Government agencies will receive a Renewable*Connect charge on their bill that replaces the fuel clause charge. The balance represents the difference between Renewable*Connect Government revenues and expenses. The Government program for Renewable*Connect began in May 2017.
RA-28	1415092	Minnesota LED Streetlighting Deferral	15-826	182.3	545,720	534,623	429,039	Per the 2016 MN electric rate case settlement, NSPM removed from the rate case all revenue requirements related to capital additions for LED street lights, and deferred as a regulatory asset all such revenue requirements. No carrying cost will be accrued on the LED street lighting deferral. Finally, any LED street lighting revenues collected during the term of the settlement will be credited against the LED street lighting deferral.
RA-29a	1160090	2018 Minnesota Sales True-up	15-826	182.3	8,599,499	0	0	The MN electric rate case settlement provides for a sales true-up mechanism whereby the actual sales for non-decoupled classes in MN (demand small commercial and industrial, large commercial and industrial, public street and highway lighting, other sales to public authority and interdepartmental) will be true-up to 2016 weather-normalized actual sales plus a growth rate specified for each year in the settlement. As of January 1, 2020, the sales true-up mechanism was expanded to include all customer classes (effectively replacing the revenue decoupling mechanism).
RA-29b	1160090, 1415092	2019 Minnesota Sales True-up	15-826	182.3	37,291,767	10,546,496	0	The sales true-up for all customer classes was extended to 2021 as part of the 2021 Stay Out Docket. Pursuant to the MPUC's order, the surcharge recovery period was increased from 12 months to 21 months for the demand class."
RA-29c	1160090, 1415092	2020 Minnesota Sales True-up	15-826	182.3	0	112,965,709	89,745,237	The 2018 sales true-up was refunded/surcharged to customers in April 2019 - March 2020; the 2019 sales true-up was refunded/surcharged to customers in April 2020 - March 2021; and the 2020 sales true-up will be refunded/surcharged to customers in April 2021-March 2022.
RA-29d	1160090, 1415092	2021 Minnesota Sales True-up	15-826	182.3	0	0	20,356,992	
RA-30	1415092, 1160090, 1164001, 1420001	Benson Biomass PPA Termination	17-530, PU-17-271, EL18-027	182.2/182	82,038,100	74,237,211	69,441,693	In June 2018, NSPM terminated the Benson Power purchased power agreement and acquired the facility. The MPUC and North Dakota Public Service Commission (NDPSC) approved recovery of the deferred acquisition and PPA termination costs through their respective fuel adjustment clause mechanisms. The SDPUC approved deferred accounting for the acquisition and PPA termination and later approved recovery of the deferred costs through the South Dakota Infrastructure Rider beginning January 2019.
RA-31	1160090, 1160061, 1415061	South Dakota REC Sales	EL11-019, EL12-046	182.3	720	0	0	The balance in this account represents the South Dakota jurisdictional share of proceeds from the sale of renewable energy credits. Proceeds are shared through the FCA.
RA-32a	1405008, 1160092	Nonplant Excess ADIT - Electric	N/A	182.3	136,651,777	126,741,001	123,425,815	The TCJA was passed in December 2017 lowering the federal tax rate from 35% to 21%. Accordingly, NSPM's deferred tax assets and deferred tax liabilities were restated to the new 21% rate. A portion of the total rate change will be collected through rates and is therefore on NSPM's books as a regulatory asset, including a gross-up.

NSP-Minnesota  
 Regulatory Assets Schedule

ID	SAP Account	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Asset and Evidence of Regulatory Approval
RA-32b	1405008, 1160092	Nonplant Excess ADIT - Gas	N/A	182.3	6,007,237	5,295,229	5,117,366	The TCJA was passed in December 2017 lowering the federal tax rate from 35% to 21%. Accordingly, NSPM's deferred tax assets and deferred tax liabilities were restated to the new 21% rate. A portion of the total rate change will be collected through rates and is therefore on NSPM's books as a regulatory asset, including a gross-up.
RA-33	1415092, 1160090	Laurentian Biomass PPA Termination	17-551, PU-17-322, EL18-027	182.3	73,121,093	54,250,001	36,166,668	NSPM agreed to pay \$108.5M to terminate the Laurentian Biomass PPA, which will be paid in six equal, annual installments beginning July 2018. Recovery of the termination costs was approved by the MPUC and NDPSC through their respective fuel adjustment clause mechanisms. The SDPUC approved deferred accounting for the termination costs and later approved recovery of the deferred costs through the South Dakota Infrastructure Rider beginning January 2019.
RA-34	1415092, 1160090	Pine Bend Biomass PPA Termination	17-531, PU-17-271, EL18-027	182.3	203,571	0	0	NSPM agreed to pay \$1.050M to terminate the Pine Bend Biomass PPA. Recovery of the termination costs was approved by the MPUC and NDPSC through their respective fuel adjustment clause mechanisms. The SDPUC approved deferred accounting for the termination costs and later approved recovery of the deferred costs through the South Dakota Infrastructure Rider beginning January 2019.
RA-35	1415027	COVID-19 Public Health Emergency - SD	GE20-002	182.3	0	741,405	1,164,962	The balance in this account represents incremental expenditures related to South Dakota COVID-19.
RA-36	1415092	Business Incentive and Sustainability (BIS) Rider	20-436, 20-662	182.3	0	664,690	2,355,802	The balance in this account represents temporary discounts for commercial and industrial (C&I) customers materially affected by the COVID-19 pandemic. The Commission approved NSPM's request to defer recovery of the amount of customer credits to its next rate case.
<b>TOTAL REGULATORY ASSETS</b>					<b>3,862,342,557</b>	<b>3,979,755,526</b>	<b>4,047,198,673</b>	

NSP-Minnesota  
Regulatory Liabilities Schedule

ID	SAP	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Liability and Evidence of Regulatory Approval
RL-01	2072001	Conservation & Energy Management Program Costs - Minnesota Natural Gas	19-259, 20-403	254	(3,730,035)	(5,405,123)	(6,238,625)	Northern States Power Minnesota (NSPM) is required to spend a percentage of gross natural gas operating revenues on energy conservation programs that result in a net reduction of energy use. The expenditures to run the natural gas Conservation Improvement Programs (CIP) are deferred to this account. The expenditures are amortized monthly as recovery is made from customers. Balances in the regulatory asset account reflects the amount of CIP expenditures that have not yet been recovered from customers. Balances in the regulatory liability account reflects the amount of CIP expenditures that have been over-recovered from customers. Under the incentive mechanism, NSPM's performance incentive is based on a percent of net benefits (to the customer) achieved. The performance incentive is calculated quarterly based on updated information. The incentive amount is originally recorded to FERC 186. When the total incentive amount is approved by the commission, the balance will be true-up and reclassified from FERC 186 to this account.
RL-02	2339001, 2339006	ITC Gross Up to Pretax Rate Levels-FAS 109 (ASC 740)	N/A	254	(8,264,695)	(7,599,318)	(7,288,592)	This account is used to record the FAS 109 required amount associated with the deferred Investment Tax Credit (ITC) balance. Reduction of this balance is a function of the amortization of ITC and follows the reversal of those amounts over time.
RL-03	2332001, 2332006	Deferred Tax Collected in in Excess of Current Tax Accrual Levels-FAS 109 (ASC 740)	N/A	254	(1,352,775,050)	(1,297,300,137)	(1,265,882,609)	This account shall be used to record the FAS 109 required amount associated with the calculation of excess accumulated deferred income tax. Excess accumulated deferred income taxes are a result of the lowering of income tax rates over time and the IRS requirement to maintain historical tax rates on previously provided for deferred taxes. Reduction to the balance is a function of turn-around of these historical differences and will be reduced over time.
RL-04	2339011	North Dakota ITC	N/A	254	(9,812,992)	(10,671,831)	(9,099,577)	This account is used to record the reserve for potential refunds to customers of a deferred tax asset related to North Dakota Wind Farm projects.
RL-05	1401006	Unrealized Gains on Decommissioning Trust	RM07-7-000, Order #631, TAB 8	254	(504,745,618)	(704,178,734)	(856,382,427)	The purpose of this account is to net the nuclear decommissioning tax regulatory asset with the nuclear decommissioning unrealized gain/loss in order to properly present the Asset Retirement Obligation (ARO) asset on the balance sheet for GAAP purposes.
RL-06	2344006	Pre-ARO Decommissioning (Accumulated Depreciation-Pre ARO Nuclear)	N/A	254	(1,713,660,524)	(1,774,157,329)	(1,825,371,001)	This account was established to record the difference in period costs associated with decommissioning as recorded for rate-making purposes and as recorded for financial reporting under Statement of Financial Accounting Standard No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143, ASC 410). The balance in the account consists of the regulatory approved nuclear decommissioning costs accumulated prior to the implementation of SFAS No. 143 and the ongoing monthly regulatory accrual.
RL-07	2082001	Department of Energy Settlement Payments	20-112 21-062	254	(22,988,539)	(9,600,174)	(6,666,834)	The balance in this account represents a settlement with the Department of Energy. The money is deposited in a special interest bearing account at Wells Fargo pending refund to customers.
RL-08a	2341001	Nuclear Decommissioning-Adjust to Market Qualified	N/A	254	(699,481,176)	(502,741,124)	(713,666,420)	Record unrealized gains on investments in the external qualified funds held in trust with BNY Mellon Bank.
RL-08b	2341001	Nuclear Decommissioning-Adjust to Market Qualified - Contra	N/A	254	699,481,176	502,741,124	713,666,420	
RL-09	2073001	Derivatives & Hedging - Retail Electric & Gas	N/A	254	(7,759,333)	(11,641,811)	(56,388,305)	Xcel Energy enters into derivative instruments to manage variability of future cash flows from changes in commodity prices in its electric and natural gas operations, which mitigates commodity price risk on behalf of electric and natural gas customers. Changes in fair value of derivative instruments are reflected as a regulatory asset or liability if there is a commission approved regulatory recovery mechanism in place. This balance represents the regulatory offset for commodity electric hedging derivatives that are in an asset position.
RL-10a	2075006, 2342076	Deferred Electric Commodity Costs	N/A	254	(14,867,000)	0	0	Represents the over-collection of fuel costs allocated to the NSPM retail jurisdiction. When one of the retail jurisdictions is over collected, the amounts are recorded as a decrease to revenue and as a regulatory liability on the balance sheet. As of June 30, 2021, the South Dakota jurisdiction was over-collected.
RL-10b	2075006, 2342076	Deferred Electric Commodity Costs - ND	N/A	254	0	(264,230)	0	
RL-10c	2075006, 2342076	Deferred Electric Commodity Costs - SD	N/A	254	0	(2,741,053)	(573,958)	
RL-11	2342071, 2080056	South Dakota Transmission Cost Recovery Rider	EL 20-025	254	(1,289,582)	(830,995)	(880,557)	The South Dakota Transmission Cost Recovery (TCR) rider allows the recovery of the costs associated with certain transmission projects.

NSP-Minnesota  
Regulatory Liabilities Schedule

ID	SAP	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Liability and Evidence of Regulatory Approval
RL-12	2342071, 2080056	Minnesota Transmission Cost Recovery Rider	17-797, 19-721	254	(6,598,986)	(9,364,444)	(3,360,233)	The Minnesota Transmission Cost Recovery (TCR) rider allows the recovery of the costs associated with certain transmission projects.
RL-13	2080022	South Dakota Infrastructure Rider	EL 20-026	254	(2,205,818)	(1,873,358)	0	Over-collection of the SD Infrastructure rider.
RL-14	2342066, 2080051	Minnesota Gas State Energy Policy Rider	20-323, 21-151	254	(445,602)	(335,068)	(190,178)	The MN State Energy Policy (SEP) Gas rider is designed to recover costs associated with the State of Minnesota Reliability Administrator, the Sustainable Building Guidelines Program and cast iron pipe replacement.
RL-15	2337001, 2077001	Gain on Sales of Emissions Allowances - MN	12-961	254	(162)	0	0	The portion of emission allowances sales proceeds applicable to the Minnesota jurisdiction.
RL-16	2337001, 2077001	Gain on Sales of Emissions Allowances - ND	PU-12-813	254	(4)	0	0	The portion of emission allowances sales proceeds applicable to the North Dakota jurisdiction.
RL-17	2340001, 2078001	Electric Low Income Discount Program	04-1956, 13-868, 15-826, 17-629, G-999	254	(3,775,299)	(6,001,396)	(9,582,232)	NSPM offers low income discounts on electric utility service. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RL-18	2340001, 2078001	Gas Low Income Discount Program	06-1429, 09-1153, 16-493	254	(1,429,656)	(2,257,940)	(3,216,593)	NSPM offers low income discounts on gas utility service. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RL-19	2342036	Power Purchase Agreement	N/A	254	(816,173)	(807,352)	(802,396)	The balance represents amounts due to customers upon payment of the receivable related to the contract between NSPM and Lac Courte Oreilles Band of Lake Superior Chippewa Indians dated February 1, 1984 (30 year agreement). In December 2011, an agreement was reached with Lac Courte in Amendment #2 to the power sales contract for a 10-year repayment plan.
RL-20	2079001	Minnesota Retail Asset Margin Sharing	10-971, 12-961, 19-293	254	(5,467,721)	0	0	The balance in this account represents asset-based margin sharing in the State of Minnesota. Margins are shared through the FCA. The balance in this account represents asset-based margin sharing in the State of Minnesota. Beginning in 2020 the separate sharing mechanism for Minnesota asset based margins was eliminated; estimated asset based margins are now incorporated into the monthly fuel factor and any difference between actual and estimated margins are included in the FCA true-up amounts filed March 1.
RL-21	2079001	North Dakota Asset and Non-Asset Based Margin Sharing	PU-10-657	254	(2,154,729)	(2,539,052)	(6,055,677)	The balance in this account represents asset based and non-asset based margin sharing in the State of North Dakota. Margins are shared through the FCA.
RL-22	2079001	South Dakota Asset and Non-Asset Based Margin Sharing	EL11-019, EL12-046	254	(703,803)	(968,878)	(1,317,422)	The balance in this account represents asset based and non-asset based margin sharing in the State of South Dakota. Margins are shared through the FCA.
RL-23	2079001	South Dakota Production Tax Credit Sharing	EL11-019, EL12-046	254	(973,564)	(1,652,721)	(1,506,655)	The balance in this account represents federal production tax credits (PTC) associated with wind generation allocated to South Dakota. PTCs are credited to customers through the FCA.
RL-24	2081001	Minnesota Service Quality Program	19-261, 20-406	254	(850,000)	(486,075)	(1,247,396)	The MPUC has established required service quality standards for various customer services. NSPM is required to compensate the customers impacted when these standards are not satisfied.
RL-25	2080061, 2080006	Windsor Tracker	01-1479, 12-961, 10-971, 13-868	254	(6,800,525)	(6,046,997)	(8,565,293)	This account tracks the difference between expenses incurred and revenues received for the Windsor program.
RL-26	2345001, 2083001	Transmission Formula Rates	N/A	254	(19,787,119)	(8,466,104)	(9,802,005)	Represents the amount that will be returned to customers in the true-up factor under transmission formula rates.
RL-27	2080001	NOL Tracker	10-971, 15-826	254	(1,981,670)	0	0	The NOL Agreement is between NSPM and the DOC for the rate making treatment of net operating losses (NOL). Under the NOL agreement, NSPM tracks actual NOL generation and utilization compared to utilization assumed in base rates. If actual utilization is greater than assumed in base rates, the Company will return to customers the revenue requirement impact of the increased utilization. Increased utilization of the NOL deferred tax asset occurs when the Minnesota retail electric jurisdiction has higher positive taxable income than assumed in base rates. This agreement is a one way true-up mechanism. If NSPM incurs greater generation or lower utilization, the Company can not surcharge customers.
RL-28	2080056, 2342071	North Dakota Renewable Energy Rider	PU-19-329, PU-20-426	254	0	(935,642)	(965,557)	Over-collection of the ND RER rider.

NSP-Minnesota  
Regulatory Liabilities Schedule

ID	SAP	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Liability and Evidence of Regulatory Approval
RL-29	2080056, 2342051	North Dakota PTC Levelization	PU-19-329 PU-20-426	254	0	(3,573,297)	(6,335,411)	In February 2020, the NDPSC approved a Production Tax Credit (PTC) levelization mechanism; under this new mechanism, PTCs will be returned to customers in the RER over the 25-year life of a wind project instead of in the first 10 years when the credits are received. The balance in this account represents the difference between the ND jurisdictional allocation of PTCs generated and the PTCs that have been included in the RER.
RL-30	2080012, 2342076	2018 Minnesota Revenue Decoupling	13-868, 15-826, 19-127	254	(3,843,165)	0	0	The revenue decoupling mechanism is designed to recover the fixed costs regardless of sales such that NSPM would be indifferent to customer usage/conservation. Customer classes eligible for revenue decoupling are residential, residential with space heating and small commercial non-demand. The balance in this account represents the 2018 difference between the actual revenues and allowed revenues under the decoupling mechanism (over recovery is due to favorable weather conditions in 2018). Amounts will be returned to customers April 2019 - March 2020. The program was discontinued effective January 1, 2020.
RL-31a	2080012, 2342076	2018 Minnesota Deferred Property Tax	15-826	254	(8,903,898)	0	0	As part of the 2016 MN electric rate case settlement, NSPM implemented a symmetrical true-up of actual property taxes for the years 2017-2019 to a baseline amount (\$163.1M). The property tax true-up mechanism was extended through 2021 as part of the MPUC's orders in the 2020 and 2021 Stay Out Dockets.  If the property tax expense is lower than the baseline amount in a given year of the 2017-2021 period, NSPM will propose a refund to take place the following year. If the property tax expense is higher than the baseline amount, NSPM will defer the difference as a regulatory asset and net against other future rate case related refunds (e.g., processed annual sales refunds, capital refunds etc.).
RL-31b	2080012, 2342076	2019 Minnesota Deferred Property Tax	15-826	254	(10,979,013)	0	0	
RL-31c	2080012, 2342076	2020 Minnesota Deferred Property Tax	15-826	254	0	(7,875,840)	(12,273,463)	
RL-31d	2080012, 2342076	2021 Minnesota Deferred Property Tax	15-826	254	0	0	(3,446,553)	
RL-32	2079001	South Dakota Property Tax Collected in the Fuel Clause Adjustment	EL14-058	254	0	(84,352)	0	As part of the settlement agreement in NSPM's 2014 retail rate case in South Dakota, the language in the Fuel Clause Rider was modified to allow for the collection of ad valorem taxes as permitted by SDCL §49-34A-25. NSPM will annually calculate the difference between the amount of property taxes forecast for current calendar-year and the amount included in base rates, plus a true-up for prior year actual property tax recorded compared to that year's forecast, and include 1/12th of this difference with the monthly fuel clause calculations. Under-recovered balances are recorded as a regulatory asset and over-recovered balances are recorded as a regulatory liability.
RL-33	2332008, 2080062	Nonplant Excess ADIT - Electric	N/A	254	(41,583,308)	(34,289,661)	(32,044,688)	The TCJA was passed in December 2017 lowering the federal tax rate from 35% to 21%. Accordingly, NSPM's deferred tax assets and deferred tax liabilities were restated to the new 21% rate. A portion of the total rate change will be returned through rates and is therefore on NSPM's books as a regulatory liability, including a gross-up.
RL-34	2332008, 2080062	Nonplant Excess ADIT - Gas	N/A	254	(2,130,080)	(1,812,361)	(1,732,159)	The TCJA was passed in December 2017 lowering the federal tax rate from 35% to 21%. Accordingly, NSPM's deferred tax assets and deferred tax liabilities were restated to the new 21% rate. A portion of the total rate change will be returned through rates and is therefore on NSPM's books as a regulatory liability, including a gross-up.
RL-35	2342021, 2080023	2017 Tax Cuts and Jobs Act - MN Electric	17-895	254	(442,729)	0	0	In December 2018, the MPUC issued a written order requiring a one-time refund of TCJA savings for 2018.
RL-36	2342021, 2080023	2017 Tax Cuts and Jobs Act - MN Gas	17-895	254	(1,009,602)	0	0	In December 2018, MPUC issued a written order requiring a one-time refund of TCJA savings for 2018.
RL-37	2080056	North Dakota Transmission Cost Recovery Rider	PU-18-364, PU-19-328, PU-20-259	254	(7,735)	0	0	Over-collection of the ND TCR rider.
RL-38	2080023, 2342021	Minnesota Incentive Compensation Refund	18-121, 21-369	254	(3,813,543)	(1,761,208)	(2,435,544)	The MPUC has limited the recoverability of Annual Incentive Program (AIP) and requires a refund when the amount included in base rates exceeds the amount actually paid. The balance represents amounts to be returned to customers.
RL-39	2080012	Wescott Tank Sale	18-294, PU-19-103	254	(6,138,000)	(13,127)	0	In March 2019, NSPM received approval of the Asset Purchase Agreement for the two liquid propane fuel storage tanks between NSPM and Flint Hills. The North Dakota share of the gain on the asset sale of \$0.6M was used to partially offset the remediation costs of the Fargo MGP site. The Minnesota share of the gain on the asset sale of \$6.1M was refunded to customers in a line item bill credit in 2020 and Q1 2021.
RL-40a	2080012	Overrecovered Purchased Gas Costs - MN	13-600	254	0	(7,353,018)	(1,034,973)	The account represents the cumulative over recovery of purchased gas costs from the customers for the current year. NSPM files the new purchase gas adjustment (PGA) recovery factor with the MPUC by September each year for the current deferral period, which runs from July of the previous

NSP-Minnesota  
 Regulatory Liabilities Schedule

ID	SAP	Account/Mechanism Description	Docket number	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Regulatory Liability and Evidence of Regulatory Approval
RL-40b	2080012	Overrecovered Purchased Gas Costs - ND	13-600	254	0	(1,467,975)	(80,647)	year to June of the current year.
RL-41	2342076	MN Gas Rate Case Deferral	09-1153	254	0	(2,784,018)	(2,983,644)	In the 2009 MN Gas rate case, NSPM was ordered to amortize rate case expenses over a four-year period and to defer amounts recovered for rate case expense after the four year amortization period to offset the revenue requirement in its next rate case. The balance in this account reflects the deferral of rate case expenses recovered in rates from January 2014 through the current period.
RL-42	2080012	NNG Refund	20-633 PU-21-087	254	0	(4,971,529)	0	In Q4 2020, Northern Natural Gas (NNG), an interstate natural gas pipeline company, issued a refund of \$4.9M for MN and ND natural gas service for the difference between NNG's interim and final rates. Minnesota's share of refunds was returned to customers in Q1 2021. North Dakota's jurisdictional allocation of the refund was used to partially offset the Cost of Gas true-up resulting from the February 2021 cold weather event.
RL-43	2080012	Residential Payment Plan Credit Program	20-760	254	0	(17,500,000)	(12,990,510)	In December 2020 during the MPUC deliberations for the MN electric stayout, NSPM committed to funding 100% (\$17.5M) of its proposed Residential Payment Plan Credit Program. Further, if any portion of the funds are not used to pay for the cost of the program, NSPM committed the remaining funds to be used to fund similar programs, at the Commission's direction. In their order points, the MPUC accepted our commitment. Written order approved in April 2021, with enrollment/refunds beginning in May 2021.
<b>TOTAL REGULATORY LIABILITIES</b>						<b>(3,772,735,272)</b>	<b>(3,949,612,148)</b>	<b>(4,156,741,714)</b>

NSP-Minnesota  
Deferred Debits Schedule

ID	SAP	Account/Mechanism Description	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Deferred Debit
DD-01a	1403016, 1152016	DD-NSPMN Elect Incentive	186	16,346,182	27,334,823	36,597,916	This account contains earned but unapproved CIP incentives. The balance will be transferred to a regulatory asset once the amount has been approved by the Commission.
DD-01b	1403016, 1152016	DD-NSPMN Gas Incentive	186	1,592,771	3,247,552	4,336,207	This account contains earned but unapproved CIP incentives. The balance will be transferred to a regulatory asset once the amount has been approved by the Commission.
DD-02	1473011	Long Term Federal Income Tax Receivable	186	1,508,566	0	0	This account is used to record NSPM's long-term federal income taxes receivable resulting from known federal audit adjustments.
DD-03	1473021	Long Term State Income Tax Receivable	186	293,876	0	0	This account is used to record NSPM's long-term state income taxes receivable resulting from known state audit adjustments.
DD-04	1404001, 1473091	Def. Tax Credit & Interest	186	5,512,254	5,383,381	5,327,043	This account is used to record NSPM's asset on interest related to prior year federal and state income tax refunds. These adjustments have not yet been approved by the Commission.
DD-05	1473101	Contracts Receivable	186	816,174	807,352	802,396	This account is used to record the receivable due to NSPM from the contract between NSP and Lac Courte Oreilles Band of Lake Superior Chippewa Indians dated February 1, 1984 (30 year agreement). In December 2011, an agreement was reached with Lac Courte in Amendment #2 to the power sales contract for a 10-year repayment plan.
DD-06	1476406	Debt Issuance Expense	186	20,092	0	0	This account is used as a clearing account for debt issuance cost payments. The payments remain in this account until an invoice is received that identifies the debt issue associated with the cost. Once identified, the costs are transferred to the appropriate account and amortized. Balances are reclassified to various debt issuances.
DD-07a	1416001, 1161001	Rate Case Expenses - MN 2019 Electric	186	1,479,503	0	0	Costs related to the 2020-2022 MYRP filed Nov. 2019. As a result of the 2021 Stay Out Docket, the costs were written off to expense.
DD-07b	1416001, 1161001	Rate Case Expenses - MN 2021 Electric	186	0	0	3,726	Costs to be recovered in a future MN electric rate case filing.
DD-07c	1416001, 1161001	Rate Case Expenses - MN 2021 Gas	186	0	0	3,975	Costs to be recovered in a future MN gas rate case filing.
DD-08a	1416001, 1161001	Rate Case Expenses - ND 2021 Gas	186	0	0	84,665	Costs to be recovered in a future ND gas rate case filing.
DD-08b	1416001, 1161001	Rate Case Expenses - ND Electric Settlement	186	1,974,937	131,916	110,402	Costs associated with the settlement of the 2013 North Dakota electric rate case (resource treatment framework and demand allocator study). Per settlement reached in Docket PU-20-441, the resource treatment framework costs were written off to expense, and the demand allocator study costs were approved for recovery with a 3.5 year amortization period.
DD-08c	1416001, 1161001	Rate Case Expenses - ND 2020 Electric	186	0	628,661	726,869	Per settlement reached in Docket PU-20-441, projected direct expenses associated with this rate case docket were approved with a 3.5 year amortization period.
DD-09	1416001, 1161001	Rate Case Expenses - SD 2015 Electric	186	113,169	113,169	113,169	Costs to be recovered in a future SD electric rate case filing. Amounts represent costs for the 2014 rate case in excess of the recoverable amount, which could be deferred and used towards future rate case filings per the terms of the Settlement Agreement.
DD-10	1473116	Notes Receivable - 3rd Party	186	4,330,007	3,122,883	2,934,988	Balance represents University of North Dakota (UND) non-refundable CIAC that is being financed by NSPM as part of the minimum burn agreement signed January 11, 2019. UND is paying the CIAC over a 10-year period, ending March 31, 2029.

NSP-Minnesota  
 Deferred Debits Schedule

ID	SAP	Account/Mechanism Description	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Deferred Debit
DD-11	1242041	Prepaid - Facility Fees	186	1,704,200	1,329,681	1,132,084	Costs associated with an outside Credit Facility in which NSPM has entered into an agreement with lenders to provide back-up financing should it become necessary. The upfront fees associated with a Credit Facility are paid at the time of the issuance and amortized over the life of the Credit Facility.
DD-12	1476451	JOA & RP Share MTM	186	1,771,092	6,125,450	11,542,957	Those Companies with a forward MTM position in the Prop Book (NSP and PSCO) record gains or losses related to the change in value of those positions on their financial statements. Costs represent the rate payer sharing with North Dakota and South Dakota for all unrealized mark to market on derivative trading in NSPM's Prop Book.
DD-13	1473116	Taygete Loan Receivable	186	0	0	2,342,505	Xcel Energy entered into a prop agreement with Taygete to purchase energy from their solar facility. Xcel agreed to fund the solar facility up to a capped amount. Repayment from Taygete is not expected within the next year.
<b>TOTAL DEFERRED DEBITS</b>				<b>37,462,823</b>	<b>48,224,868</b>	<b>66,058,902</b>	

NSP-Minnesota  
Deferred Credits Schedule

ID	SAP	Account/Mechanism Description	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Deferred Credit
DC-01	2421036	Non Qualified Pension	253	(3,558,090)	(3,284,098)	(3,173,631)	Non-qualified plan that provides benefits above and beyond those in other retirement plans.
DC-02	2421026	Deferred Compensation	253	(17,971,541)	(10,181,620)	(11,024,230)	The total company liability related to the regular nonqualified deferred compensation plan. The balance represents the net of payments, contributions and accrued interest.
DC-03	2421031	Deferred Compensation-Wealth Op	253	(5,220,675)	(4,905,328)	(4,791,680)	The total company liability related to the Wealth-Op nonqualified deferred compensation plan. The balance represents the net of payments, contributions and accrued interest.
DC-04	2421021	FAS 112 (ASC 712)	253	(11,936,688)	(12,243,721)	(11,940,621)	Postemployment benefits provided to former or inactive employees after employment but prior to retirement.
DC-05	2421051	NMC LTI Units/Exec PSP LT	253	(1,672,175)	(2,740,316)	(1,337,955)	Long-term incentive obligation for NMC employees. The liability transferred to NSPM during Q3 2008 in conjunction with the transfer of the nuclear plant operating licenses to NSPM.
DC-06	2344001, 1281016, 1282011, 1311006	Pre-Funded AFUDC	253	(177,397,827)	(202,087,250)	(211,444,006)	In certain situations, regulators may provide for the utility to collect AFUDC from customers while a capital project is under construction as opposed to the standard AFUDC calculation where it is assumed that customers will compensate the utility for the cost of construction financing when that cost becomes part of depreciation expense and included in revenue requirements. To comply with FERC's plant instructions and to maintain proper rate base and revenue requirements in all jurisdictions, the pre-funded AFUDC recovered from customers is accumulated in a deferred liability account. Once the asset is in-service, the pre-funded AFUDC is amortized over the life of the asset.
DC-07	2444001	Long Term Environmental Remediation	253	(2,946,637)	(338,493)	(304,850)	Long-term environmental remediation. The portion of the estimated cost to remediate sites where past activities of NSPM or other parties have caused environmental contamination, that is expected to be paid more than one year from the date of the financial statements.
DC-08	2444001	Long Term Air and Water Quality Environmental Fees	253	0	(2,161,975)	(857,023)	The balance in this account represents estimates of environmental fees for air quality and water quality.
DC-09	2441001, 2246032	Renewable Resource Fund Obligation	253	(36,088,835)	(15,825,885)	(35,911,476)	The balance in this account represents the amount remaining to be spent in the renewable development fund.
DC-10	2441161	FIN 48 LT Fed Income Tax Payable (ASC 740)	253	(6,053,403)	(7,034,766)	(7,901,494)	This account is used to track permanent FIN 48 tax adjustments on long-term federal income tax to enable compliance with a FERC letter to all utilities in docket AI07-2-000, dated May 25, 2007.
DC-11	2441191	FIN 48 LT State Income Tax MN Perm (ASC 740)	253	(1,363,892)	(1,290,595)	(1,480,679)	This account is used to track permanent FIN 48 tax adjustments on long-term Minnesota state income tax to enable compliance with a FERC letter to all utilities in docket AI07-2-000, dated May 25, 2007.
DC-12	2441191	FIN 48 LT State Income Tax ND Perm (ASC 740)	253	(1,484)	(922)	(922)	This account is used to track permanent FIN 48 tax adjustments on long-term North Dakota state income tax to enable compliance with a FERC letter to all utilities in docket AI07-2-000, dated May 25, 2007.
DC-13	2441201	FIN 48 LT Interest Payable (ASC 740)	253	(48,560)	(218,218)	(436,513)	This account is used to track the interest accrual on the calculated unrecognized tax benefits associated with the LT federal income tax payable account (SAP 2441161) and LT state income tax permanent account (SAP 2441191) based on FIN 48 requirements effective January 1, 2007.
DC-14	2441041	Deferred Revenue ITC Grant	253	(1,457,673)	(1,284,125)	(1,197,352)	This account is used to record Investment Tax Credits (ITCs) related to the American Reinvestment and Recovery Act of 2009. Because of the nature of the ITC, it was required that we follow Grant Accounting, which included setting up a deferred revenue account.
DC-15	2441131	LT Federal Income Tax Payable	253	0	(3,015,710)	(2,941,591)	This account is used to record the long term federal income taxes payable resulting from known federal and state audit adjustments.
DC-16	2441141	LT State Income Tax Payable MN	253	(6,290)	(345,926)	(346,842)	This account is used to record the long-term Minnesota state income taxes payable resulting from known federal and state audit adjustments.
DC-17	2441211	Income Tax LT Interest Payable	253	0	(305,363)	(356,338)	This account is used to record the long-term state interest payable resulting from known federal and state audit adjustments.

NSP-Minnesota  
Deferred Credits Schedule

ID	SAP	Account/Mechanism Description	FERC Account	Balance as of 12/31/2019	Balance as of 12/31/2020	Balance as of 6/30/2021	Description of Deferred Credit
DC-18	2441006	Long Term Payroll Tax Liability	253	(1,640,320)	0	0	This account is used to record the long-term portion of payroll tax liability that surfaced in the 2008 & 2009 IRS per diem audit.
DC-19	2441007	Legal & Regulatory Contingencies	253	(71,670)	(69,132)	(81,962)	Holds the receipts and expenses related to the Nuclear Waste Strategy Coalition. The Coalition was set up to lobby for the Nuclear Waste Storage Facility. Xcel Energy manages the fund.
DC-20	2246011 , 2246016, 2441076	Customer Prepayments	253	(22,440)	(90,000)	(90,000)	The balance in this account represents various customer prepayments.
DC-21	2250001, 2441101	Deferred Revenue	253	(1,694,797)	(2,696,746)	(2,259,401)	This account is used to defer prepaid revenues that are amortized across the term of the negotiated contracts.
DC-22	2250006	Deferred Revenue - Facility Attachment Revenue	253	0	0	(1,037,847)	This account is used to record deferred revenue for facility attachments joint use contracts. The prepaid revenues are amortized over the period of the contracts as revenues are realized.
DC-23	2441056	Settlements	253	(82,702)	0	0	As part of the merger settlement, NSPM agreed to set aside \$1.2 million for bill payment assistance for low income households in Minnesota.
DC-24	2441036	Rail Car Lease Residual Value Deficit	253	(3,081,023)	(3,258,394)	(3,449,540)	Residual value guarantee on the NSPM rail car leases. The balance represents the accumulated liability on a rail car lease expiring in 2022. The estimated amount of the residual payment is being accrued monthly over the life of the lease.
DC-25	2445001, 2441026	Deferred Rent	253	(8,589,495)	(7,831,599)	(7,452,651)	In June 2012, NSPM entered into an agreement to lease a new 9-story office building to be constructed at 401 Nicollet Mall in Minneapolis, Minnesota. The balance in these accounts represents the amortization of lease payments, tenant improvement allowance, non-capital tenant improvements, and Nicollet residences incentive.
DC-26	2441021	Laurentian PPA Contract Extinguishment	253	(54,250,001)	(36,166,668)	(18,083,335)	NSPM agreed to pay \$108.5M to terminate the Laurentian Biomass PPA which will be paid in six equal, annual installments beginning July 2018. The balance represents the amount to be paid under the termination agreement for periods greater than 12 months from the date of the financial statements.
DC-27	2245001	CapX2020 Promissory Notes	253	0	(442,127)	(332,707)	Under several of the CapX2020 Transmission Joint Venture project agreements, landowners were given the choice to elect to receive annual promissory notes for the land easements rather than receive an up-front payment. The promissory notes extend through September 2024. The balance in this account represents funds that NSPM has received from other CapX2020 Fargo joint venture owners for land easements that NSPM will make as CapX2020 Fargo project manager.
DC-28	2441091	Shared Network Upgrade	253	0	(1,050,868)	(1,022,338)	On January 7, 2019, MISO filed a Multi-Party Facilities Construction Agreement (MPFCA) entered into by NSP as the sole member of Dakota Range I LLC and Dakota Range II LLC and Otter Tail Power Company (OTP) for the purpose of facilitating the interconnection of Dakota Range I and II by constructing an interconnection facility and network upgrade. NSP was the interconnecting customer responsible for paying for the network upgrades. Merricourt Power Partners, a subsequent interconnecting customer, was determined by MISO to also benefit from the shared network upgrades and as such agreed to fund its proportionate share of the network upgrade costs. MISO assessed Merricourt a one-time charge in the amount of \$1,141,214; the funding (Schedule 26-B compensation) was distributed to NSP in August 2020 given that NSP was the interconnecting customer responsible for paying for the network upgrades for Dakota Range I & II. Under the MPFCA, as Transmission Owner, OTP elected to self-fund the project. Under self-funding, NSP is required to pay OTP over 240 consecutive monthly payments for the network upgrades. The 26-B compensation received from Merricourt was deferred and will be amortized consistent with NSP's payment obligation to OTP.
DC-29	2441091	Annual FERC Hydro Assessments	253	0	(9,611)	(28,833)	This account is used to record accruals for FERC fees for hydro facility operations paid annually in the third quarter.
<b>TOTAL DEFERRED CREDITS</b>				<b>(335,156,218)</b>	<b>(318,879,456)</b>	<b>(329,285,817)</b>	