

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Energy Supply C&H	
Sherco yard scraper replacement project was moved into December 2011	(1,300)
Sherco multiple projects timing from original budget	(500)
Other	5
Sub-total Electric	26,332
<u>Gas</u>	
Other	-
Sub-total Gas	-
<u>Other</u>	
Other	179
Sub-total Other	179
Other	-
Total Energy Supply - C/H	26,511

Distribution	
<u>Electric</u>	
E&S Allocation	
E&S Allocation	
Elec Asset Health	
Accelerated routine rebuilds and conversions	2,472
Various projects with no significant variances	1,148
Major Storm Recovery Blanket - no budget or forecast	5,129

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Distribution	
Elec Capacity	
Various reinforcement projects with no significant variances	(1,221)
Newly identified projects not in the original budget	2,314
Install new HUG312 feeder - anticipated customer payment deferred	(2,462)
Elec Mandates	(2,377)
Delayed start for Glencoe required move due to phase 1 switch	(2,537)
Elec New Service	
Various routine extension projects - new customer growth greater than initially budgeted	5,736
Equip Purchase	
Accelerated meter purchases	1,844
Accelerated transformer purchases	2,071
Fleet	
Accelerated purchase of fleet vehicles	1,437
Other	
Capitalized-MN-Sales Tax Credit - no forecast or budget	(3,230)
Reliability	
Feeder and Tap performance improvement program (FPIP & TPPI) - deferred	(2,174)
NSPM - Accelerated URD Cable Replacement	1,896
Reliability Monitoring System (REMS) projects deferred	(2,035)
ND Automatic Switches and Remote Controllers - Material Delays	(946)

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

		December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Bus Area			
	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Distribution	
Sub Capacity	
Viking substation - increase in scope	1,600
Hiawatha - overall scope of work decrease compared to original budget	(1,516)
Failed FSTTR04 replace - reimbursement not in original budget	(2,000)
Accelerated Chaska Rebuild	1,141
Other	187
Sub-total Electric	6,477
Sub Capacity	
Gas	
Other	-
Sub-total Gas	-
Other	
Fleet	
Accelerated purchase of fleet vehicles	712
Other	(17)
Sub-total Other	694
Other	-
Total Distribution	7,171

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Gas Systems	
<u>Gas</u>	
Equip Purchase	
Reduction in meter purchase plan based on need	(1,308)
Gas Asset Health	
Distribution Integrity Management Program - moved to 2013 due to design and crew availability	(1,160)
Gas Capacity	
Becker\Liberty Paper Reinforcement - project cancelled by customer	(2,613)
Gas Mandates	
Various main relocations deferred or cancelled	(1,419)
Gas New Service	
Projects with no significant variances	428
HP Gas	
Wescott - unforeseen costs not budgeted	1,851
Integrity Management Program - additional work above budgeted scope	1,731
Greenfield Grain Dryers - not included in original budget	1,635
Other	57
Sub-total Gas	(798)
<u>Other</u>	
Other	-
Sub-total Other	-
Other	-
Total Gas Systems	(798)
Transmission	

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
<u>Electric</u>	
CAPX Brookings: ROW acquisition and Xcel discrete sub construction have been accelerated based construction opportunities.	14,555
CAPX La Crosse: Project start has been delayed due to state permitting issues.	(7,617)
St Cloud Loop: Project canceled due to fire at Verso Paper Mill.	(6,971)
Hwy 212 Conversion: Project is experiencing permitting delays	(6,274)
Sioux Falls Northern 115 kV: Delays in permitting and negotiations with the City of Sioux Falls	(5,765)
Midtown - Hiawatha: Project spend delayed by PUC approval; order was issued in February 2012 approximately 1 year after budget was created. Order has been received so property can be purchased.	(13,141)
CAPX2020 Fargo MN: Variances are due mainly to delays caused by rerouting of the project, and structure quality issues with the vendor. Construction sequence is altered due to the material issues.	(12,505)
Easement acquisitions are also delayed due to the CMA execution which was later than expected.	
CAPX2020 Bemidji MN: Actual construction is not in sync with the budget due to permitting delays on the project.	6,744
Project advancements	
Project Accelerated	
APT 550 Minnesota: Work was advanced to fill crew availability and avoid catastrophic failures at the substations.	2,803
Project changes	
Revised Project Cost Estimate-Decrease	
NSPM Spare 345-115kv 448VA: Costs for labor and materials came in lower than budgeted, however, more charges are expected for assembly and testing on the transformer.	(1,155)

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Transmission	
Change in Construction Schedule	
Franklin Transformer: Work at the substation scheduled for 2013 was accelerated into 2012.	3,920
Osakis-Sauk Center Upgrade: Project finished late due to prior year competing project conflicts.	1,188
Chisago 2nd Transformer Addition: Construction schedule was changed so project spend will not align with the budget.	(4,690)
Project changes - Scope Increase	
LN0736 Birch: Out of cycle approval given due to distribution's needed to use our ROW for a new feeder to serve a new load.	1,904
Our line is in poor condition, so it was decided to build allow distribution to under build the transmission line.	
Kohlman Lake-Goose Lake 2nd ckt: Scope change on the project based on the updated appropriations estimates.	681
Project changes - Scope Decrease	
Prairie Sub Expansion: Schedule of work is being done in different months than the budget but will still be done in 2012.	(1,569)
Cost for the transformer will be pushed into 2013	
Project delays	
Customer Driven Project (Dist/ ES/ 3rd Party)	
GRE Crooked Lake - Enterprise: This project is to support Great River Energy which is experiencing permit delays.	(1,353)
Regulatory Filing (CON/ Permitting)	
Black Dog - Savage: Project requires state permitting that is experiencing delays and not tracking as was budgeted.	(2,883)
Hollydale Dist.115 kV: CON filing is delaying the project so it will be under budget for the year.	(3,442)
North Mankato Plan: Construction of the project did not progress as budgeted, also a component of the project was handed over to GRE to construct per their request.	(812)
Engineering Delays	
2011 NSPM Major Line Refurbishment: Carry over projects from 2011 due to aggressive schedules that couldn't be met by engineering with the available resources. Outage Constraints.	2,862

FPT Report - Capital Actual vs. Budget
Northern States Power Co. (Minnesota Company)
December 2012

Capital (thousands of \$)

	Bus Area	December Actual YE	December Budget YE	December YE Var
10 Northern States Power - MN	Energy Supply	115,583	89,072	26,511
	Distribution Operations	166,415	159,244	7,171
	Gas Systems	48,002	48,800	(798)
	Transmission	305,497	313,474	(7,977)
	Operations Services	0	0	0
	Nuclear Generation Bus Area	310,037	403,618	(93,582)
	Corporate Services	72,030	69,902	2,128
	Financial Operations	2	0	2
	Public Policy/External Affairs	57	68	(11)
10 Northern States Power - MN Total		1,017,622	1,084,178	(66,556)

	Year End Deviation
Transmission	
ELR Line 909 Line Refurbishment: This project had an outage constraint and was in direct conflict with the OPGW installation on NSPM0912. The project is being funded from the 2012 Major Line Refurbishment blanket.	976
NSP Laminated Arms: Projects were carried over from 2011 due to outage constraints.	1,989
Base Capital	
RTU - EMS Upgrade - NSPM: Project is in development by engineering to better define the scope resulting in project starting later than was budgeted.	(2,627)
ELR - NSPM Relays RT: Budget placeholder for projects where actuals are being charged to specific projects as they materialize.	(4,800)
Transportation - NSPM: Additional funds were authorized throughout the year for a total of \$5M causing variance over budget.	5,070
IA Tariff Fund: Placeholder for interconnection projects that occur during the year.	(3,500)
NSPM - Major Line Refurbishment: Budget placeholder for projects that have not begun or materialized to date.	(1,589)
Line PH 3 ELR - NSPM: Carryover project from prior year. This project had an outage constraint and was in direct conflict with the OPGW installation on NSPM0912. Carryover being funded from NSPM 2012 Major Line Refurbishment.	1,484
S&E - NSP Line: Work carried over from 2011 that is being funded from the 2012 blanket budget. Spend for the year does not align with the budget which is straight lined each month. North Dakota storm costs are \$372 over budget.	709
ELR - Relay - NSPM: Construction timing is different than budgeted with work being done later in the year than originally planned. Delays at Prairie Island due to Nuclear outage constraints contribute to variance.	685
S&E NSPM Spare Xfmr 345-161: Progress payment was made for 75% of the transformer cost in 2010. The final billing arrived in August.	727
Fault Recorders - NSPM: Budgeted as sub projects but policy change re-classified as communications equipment so spend was moved to new projects after the budget was in place.	565
NSP Reloc B: Budget for the blanket is based on historical annual relocation expenditures, which vary each year. Management decided that portion of the cost for the relocation expense for the City of Fargo is not Capital and was moved to O&M.	(1,655)