

Transmission Cost Recovery
TCR Tracker Account Calculation - 2007
Project 1 - 825 MW Wind Upgrade - Main Project
Transmission Subs

State of South Dakota	Beginning Balance	Ending Balance												Total
		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	
Calculation of End of Year Balances														
Capital Expenditures	\$5,397,790	\$3,393,620	\$624,000	\$773,778	\$366,070	\$691,070	\$1,190,010	\$538,950	\$531,120	\$180,460	\$172,000	\$6,000	\$0	\$13,864,868
Capital Expenditures - Land	\$1,224,516	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,224,516
Capital Expenditures - AFUDC	\$155,676	\$51,077	\$65,556	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$272,309
Total Capital Expenditures	\$6,777,982	\$3,444,697	\$689,556	\$773,778	\$366,070	\$691,070	\$1,190,010	\$538,950	\$531,120	\$180,460	\$172,000	\$6,000	\$0	\$15,361,693
Classification	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,225,007	-\$9,232,924	-\$2,486,641	-\$6,000	-\$1,012,230	-\$13,962,802
CWIP Balance	\$6,777,982	\$10,222,679	\$10,912,235	\$11,686,013	\$12,052,083	\$12,743,153	\$13,933,163	\$14,472,113	\$13,778,227	\$4,725,763	\$2,411,122	\$2,411,122	\$1,398,892	\$13,988,922
EOY Plant In Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,225,007	\$10,457,930	\$12,944,572	\$12,950,572	\$13,962,802	\$13,962,802
Calculation of State of SD Retail														
36 Month Coincident Peak Demand Allocator (1)	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%
CWIP Balance - NSP-MN Company	\$5,712,917	\$8,616,328	\$9,197,530	\$9,849,720	\$10,158,267	\$10,740,745	\$11,743,762	\$12,198,023	\$11,613,171	\$3,983,176	\$2,032,248	\$2,032,248	\$1,179,075	\$1,179,075
Plant In Service - NSP-MN Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,032,514	\$8,814,613	\$10,910,513	\$10,915,571	\$11,768,743	\$11,768,743
State of SD Retail Demand Allocator (2)	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%
CWIP Balance - St of SD Retail	\$292,684	\$441,432	\$471,208	\$504,621	\$520,428	\$550,270	\$601,656	\$624,929	\$594,966	\$204,066	\$104,116	\$104,116	\$60,406	\$60,406
Plant In Service - St of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,898	\$451,590	\$558,967	\$559,227	\$602,936	\$602,936
Average CWIP Balance - St of SD Retail	\$292,684	\$367,058	\$456,320	\$487,914	\$512,525	\$535,349	\$575,963	\$613,293	\$609,948	\$399,516	\$154,091	\$104,116	\$82,261	\$176,545
Calculation of Average Rate Base														
Plant In Service - St of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,898	\$451,590	\$558,967	\$559,227	\$602,936	\$602,936
Tax Depr - Monthly		-\$1,807	-\$2,317	-\$2,503	-\$2,659	-\$2,805	-\$3,054	-\$3,286	-\$3,437	\$2,991	\$6,143	\$6,438	\$8,811	\$2,516
Book Depr - Monthly		-	-	-	-	-	-	-	-	435	986	1,104	1,152	\$3,676
Less Accumulated Book Reserve		-	-	-	-	-	-	-	-	435	1,421	2,524	3,676	\$3,676
Timing Difference		(1,807)	(2,317)	(2,503)	(2,659)	(2,805)	(3,054)	(3,286)	(3,437)	2,557	5,157	5,334	7,659	(\$1,160)
Deferred Tax Expense		(734)	(942)	(1,018)	(1,081)	(1,140)	(1,242)	(1,336)	(1,397)	1,039	2,096	2,169	3,114	(\$471)
Less Accumulated Deferred Taxes		-\$2,196	-\$2,931	-\$3,873	-\$4,891	-\$5,971	-\$7,112	-\$8,353	-\$9,689	-\$10,047	-\$7,950	-\$5,782	-\$2,668	-\$2,668
End of Month Rate Base	\$2,196	2,931	3,873	4,891	5,971	7,112	8,353	9,689	63,984	461,202	565,497	562,484	601,928	\$601,928
Average Rate Base (BOY/EOY)	\$2,196	\$2,564	\$3,402	\$4,382	\$5,431	\$6,541	\$7,732	\$9,021	\$36,836	\$262,593	\$513,350	\$563,990	\$882,206	\$302,062
Calculation of Return														
Debr Return - CWIP				\$1,378	\$1,448	\$1,512	\$1,627	\$1,733	\$1,723	\$1,129	\$435	\$294	\$232	\$11,512
Debr Return - Rate Base				\$12	\$15	\$18	\$22	\$25	\$104	\$742	\$1,450	\$1,593	\$1,645	\$5,628
Equity Return - CWIP				\$2,501	\$2,627	\$2,744	\$2,952	\$3,143	\$3,126	\$2,048	\$790	\$534	\$422	\$20,884
Equity Return - Rate Base				\$22	\$28	\$34	\$40	\$46	\$189	\$1,346	\$2,631	\$2,890	\$2,984	\$10,209
Total Return		\$0	\$0	\$3,914	\$4,118	\$4,308	\$4,640	\$4,947	\$5,142	\$5,264	\$5,306	\$5,311	\$5,283	\$48,233
Income Statement Items														
Expense Items (3)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Book Depreciation				\$0	\$0	\$0	\$0	\$0	\$0	\$435	\$986	\$1,104	\$1,152	\$3,676
Deferred Taxes				-\$1,018	-\$1,081	-\$1,140	-\$1,242	-\$1,336	-\$1,397	\$1,039	\$2,096	\$2,169	\$3,114	\$1,205
Current Taxes - CWIP				\$1,346	\$1,414	\$1,477	\$1,589	\$1,692	\$1,683	\$1,103	\$425	\$287	\$227	\$11,245
Current Taxes - Rate Base				\$812	\$865	\$914	\$997	\$1,075	\$1,200	-\$92	-\$231	-\$148	-\$841	\$4,550
Total Income Statement Expense		\$0	\$0	\$1,141	\$1,198	\$1,251	\$1,345	\$1,432	\$1,486	\$2,484	\$3,277	\$3,411	\$3,651	\$20,676
Total Revenue Requirements		\$0	\$0	\$5,055	\$5,316	\$5,559	\$5,986	\$6,379	\$6,628	\$7,748	\$8,583	\$8,723	\$8,934	\$68,910
Less OATT Revenue Credit for Non-Retail		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Recovery (4)														
Net State of SD Revenue Requirements - Retail		\$0	\$0	\$5,055	\$5,316	\$5,559	\$5,986	\$6,379	\$6,628	\$7,748	\$8,583	\$8,723	\$8,934	\$68,910
Should be Equal to Equity Return				\$2,523	\$2,655	\$2,777	\$2,991	\$3,189	\$3,315	\$3,393	\$3,421	\$3,424	\$3,405	\$31,094
Check				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:
(1) The 2007 budget 36 Month Coincident Peak Demand allocator is used in the Interchange Agreement to allocate demand-related costs between NSP-Minnesota Company and NSP-Wisconsin Company.
(2) The 2007 budget 12 Month Coincident Peak Demand allocator is used to isolate the State of South Dakota jurisdictional portion from total NSP-Minnesota Company.
(3) Recoverable expense items related to Project 1.
(4) An OATT Revenue Credit will be applied to prior year transmission revenue requirements to recognize revenue recovery from non-Xcel Energy sources