



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

October 6, 2010

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**--Via Electronic Filing--**

Ms. Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

RE: IN THE MATTER OF XCEL ENERGY'S PETITION FOR APPROVAL OF  
2011 TRANSMISSION COST RECOVERY ELIGIBILITY AND RATE  
ADJUSTMENT  
DOCKET NO. EL10-\_\_\_\_\_

Dear Ms. Van Gerpen:

Enclosed is Xcel Energy's petition for approval of 2011 Transmission Cost Recovery ("TCR") project eligibility, TCR rate factors, and 2010 true-up report. The Petition has been designated Public and the Confidential Trade Secret Data and has been excised and labeled accordingly. The Company is submitting a Non-Public version under separate cover.

Please call me at (612) 330-6750 if you have any questions regarding this filing.

SINCERELY,

/s/

MARK SUEL  
REGULATORY CASE SPECIALIST

Enclosure  
c: Service List

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**STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER, A  
MINNESOTA CORPORATION FOR  
APPROVAL OF 2010 TRANSMISSION COST  
RECOVERY ELIGIBILITY AND RATE RIDER  
ADJUSTMENT

DOCKET No. \_\_\_\_\_

**PETITION  
FOR TRANSMISSION  
COST RECOVERY**

**INTRODUCTION**

Pursuant to S. D. Codified Laws Chapter 49-34A Sections 25.1 through 25.4 (“Transmission Cost Recovery Statute”), relating to approval of tariff mechanisms for automatic annual adjustment of charges for the jurisdictional costs new or modified transmission facilities, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) petitions the South Dakota Public Utilities Commission (the “Commission”) for approval of our 2011 Transmission Cost Recovery Rider (“TCR Rider”) Adjustment Factor and tracker account report.

S. D. Codified Laws Chapter 49-34A Sections 25.1 through 25.4 authorizes the Commission to approve a tariff mechanism for the automatic annual adjustment of charges for a public utility to recover the South Dakota jurisdictional portion of eligible investments and expenses related to new or modified transmission facilities. Electric transmission facilities covered by the above references statutes included associated facilities such as substations and transformers. The Company was authorized to establish the TCR Rider based on the Commission’s January 13, 2009 order in Docket No. EL07-007. As discussed below, in this filing we propose to revise the TCR Rider to reflect current projects and expenditures.

Following is information required by S. D. Codified Laws Chapter 49-34A Sections 25.1 through 25.4 and S. D. Administrative Rule 20:10:13:26 regarding the Company’s proposed tariff and rate rider.

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**SUMMARY**

This filing seeks approval of a revised TCR Rider Adjustment Factor for 2011. In addition, this Petition requests Commission approval of the tracker report for approved transmission project investments, expenditures and revenues received since the implementation of the first adjustment factor that became effective on February 1, 2009.

This rider was originally established to recover the costs associated with certain transmission facilities. These costs have since been incorporated into base rates.<sup>1</sup> As a result, there are currently no capital projects being recovered through the rider. For 2011, we propose to begin recovery of the South Dakota jurisdictional portion of the revenue requirements related to eight transmission projects located throughout our service territory. The Company proposes to recover \$729,000 associated with these projects for the 2011 calendar year (see Attachment 4). Included in the \$729,000 figure is the 2010 unrecovered balance of \$25,414.

The tracker balance that we propose to recover from customers during the period from January 1, 2011 to December 31, 2011 is \$25,414 (see Attachment 23). The total of the transmission investment costs and the tracker balance results in a revenue requirement of \$729,000. The average bill impact for a typical residential electric customer using 750 kWh per month would be \$0.2693 per month, an increase of \$0.1988 per month from the current rider collections. The Company proposes to implement a rate of \$0.000359 per kWh applied to all kWh billed to each customer class for the year ending December 2011. This represents an increase of \$0.000265 from the existing rate of \$0.000094 per kWh.

Following is information specified in S.D. Codified Laws Chapter 49-34A Sections 25.1 through 25.4 and S. D. Administrative Rule 20:10:13:26 regarding the proposed TCR Adjustment Factor:

**(1) Name and Address of the Public Utility**

Northern States Power Company d/b/a Xcel Energy  
500 West Russell Street  
Sioux Falls, South Dakota 57104  
(605) 339-8350

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<sup>1</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase its Electric Rates, ORDER GRANTING JOINT MOTION FOR APPROVAL OF SETTLEMENT STIPULATION AND APPROVING TARIFFS (January 12, 2010), Docket No. EL09-009.*

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**(2) Section and Sheet Number of Tariff Schedule**

Xcel Energy proposes to revise its Transmission Cost Recovery Rider tariff sheet number 71 in Section 5 of the Northern States Power Company South Dakota Electric Rate Book. Attachment 32 depicts the proposed tariff sheet that would implement the revised Transmission Cost Recovery Rider Adjustment Factor.

**(3) Description of the Tariff Change**

This request revises TCR Adjustment Factor that became effective on January 18, 2010. This adjustment factor is shown as a separate line item on customer bills.

**(4) Reason for the Requested Change**

Xcel Energy first petitioned the Commission for Transmission Cost Recovery in February 2007. Since that time, the Company has made significant investments in new transmission facilities in order to maintain system reliability, meet customer demand, and to transmit wind energy from South Dakota, North Dakota and western Minnesota. To ensure that customers are not under or overcharged, we record the actual revenues and costs in our tracker account and return or collect any differences during the next recovery period based on the estimated end of year balance in the tracker account.

Costs recovered under the TCR Rider as a result of Docket No. EL07-007 were incorporated into base rates as a part of our last general rate case, Docket No. EL09-009, effective January 18, 2010. This instant petition includes costs not previously included for recovery in the TCR rider, in base rates or otherwise.

**(5) Present Rate**

The current rate for all customer classes is \$0.000094 per kWh. The rate is calculated by dividing the forecasted balance of the TCR Tracker Account by the forecasted retail sales for the calendar year; it is rounded to the nearest \$0.000001 per kWh.

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**(6) Proposed Rate**

**A. Proposed Tariff**

*i.* **Authority**

The following statutes establish Commission authority for considering and approving the revised rate rider proposed in this petition. The Company proposes a 2011 rate factor for all customer classes of \$0.000359 per kWh.

*S. D. Codified Laws 49-34A-25.1 - Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the jurisdictional costs of new transmission facilities with a design capacity of thirty-four and one-half kilovolts or more and which are more than five miles in length. For the purposes of §§49-34A-25.1 to 49-34A-25.4, inclusive, electric transmission facilities and electric transmission lines covered by this section include associated facilities such as substations and transformers.*

*S. D. Codified Laws 49-34A-25.2 - Upon filing of an application consistent with rules promulgated by the commission by any public utility providing transmission service, the commission may approve, reject, or modify, after notice, hearing, and comment, a tariff that:*

- (1) Allows the public utility to recover on a timely basis the costs net of revenues of facilities described in § 49-34A-25.1;*

The Company proposes to include the jurisdictional annual revenue requirements, within the TCR Rider, associated with transmission projects that are determined by the Commission to be eligible for recovery under S. D. Codified Laws 49-34A-25.1.

The overall cost of capital to be used in TCR Rider revenue requirement calculations was determined in the Commission's Order in Docket No. E07-007 approving a Settlement Agreement with modifications. The capital structure to be used was addressed in the Settlement Agreement at page 3 as stated below:

“...2. Rate of Return - The Parties agree that the rate of return applicable to the eligible transmission investments reflected in the TCR rider shall be based on the Company's actual capital structure and senior capital costs (long-term debt) at the end of the preceding calendar year...”

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The Commission Order in this docket superseded the Settlement Agreement with respect to the applicable return on equity and included the following ordering paragraph:

“... (ii) that the return on equity value to be included in the rate of return on investment will be 9.5% as provided in Elements of Settlement Stipulation, paragraph 2, but that if Xcel makes a general rate filing utilizing 2008 as the test year, the Commission may determine, based on its findings on the evidence received in such case, the appropriate return on equity value to be utilized under the TCR Rider, including the appropriate return on equity to be utilized and subject to true-up for the period from July 1, 2008, to the effective date of such order. The return on equity value may or may not be the same as the return on equity value approved for Xcel's general rate filing depending on the Commission's findings on the evidence received in such case.”

Our revenue requirements in this instant petition reflect the Company's actual 2008 capital structure for 2008 calculations and actual 2009 capital structure for the years 2009 through 2011. Since the Company did file a general rate case utilizing a 2008 test year, we used the return on equity approved by the Commission in that case for each year 2008 through 2011. As a result, we use an overall rate of return to calculate the return on construction work in progress (“CWIP”) and rate base of 8.37% for 2008 and 8.38% for 2009 to 2011. (See the base assumptions in Exhibit 22).

***ii.* Implementation**

Attachment 30 depicts proposed revised tariff sheets to implement the proposed rate adjustment under the recovery rider. The rate factor is based on forecast costs for the upcoming calendar year. As required by the Commission, for each 12-month period ending December 31, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between the TCR Adjustment recoveries from customers and the actual revenue requirements for the period.

**B. Eligible Transmission Projects**

***i.* Summary**

The Company has made significant new investments to its transmission system during the past several years. This petition seeks approval of the costs associated with nine proposed projects that the Company believes meet the eligibility criteria established in S. D. Codified Laws 49-34A-25.1.

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In summary, these eight projects include the following:

- Project 7. Chisago – Apple River 115/161 kV transmission line
- Project 8. BRIGO 115 kV transmission lines (3 Ea.)
- Project 9. CapX2020 Fargo – Twin Cities 345 kV transmission line
- Project 10. CapX2020 Brookings – Twins Cities 345 kV transmission line
- Project 11. CapX2020 Twin Cities – LaCrosse 345 kV transmission line
- Project 12. CapX2020 Bemidji – Grand Rapids 230 kV transmission line
- Project 13. North Mankato 115 kV transmission line
- Project 14. Blue Lake – Wilmarth transmission modification
- Project 15. Merricourt System Upgrades

Detailed project information is provided in Attachment 1.

**ii. Supporting Information**

The Transmission Cost Recovery Statute requires certain information be provided in support of this request. This required information is provided throughout this petition and in the attached exhibits.

*S. D. Codified Laws 49-34A-25.3. states: A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved pursuant to § 49-34A-25.2. In the utility's filing, the public utility shall provide: (1) A description of and context for the facilities included for recovery;*

Attachment 1 contains the descriptions of projects the Company thinks are eligible for recovery under the Transmission Cost Recovery Statute through the TCR rider. Attachment 31 provides maps depicting the facilities described in Attachment 1.

*(2) A schedule for implementation of applicable projects;*

Attachment 2 contains an implementation schedule for each of the transmission projects identified in Attachment 1.

*(3) The public utility's costs for these projects;*

Attachment 3 depicts the capital expenditure forecast for each identified project. Actual capital expenditures are accumulated from project inception through April 2010 and will be reported annually thereafter. Attachments 8-21 depict the development of 2011 revenue requirements on a project by project basis for the South Dakota jurisdiction, based on the capital expenditures referenced in Attachment 3.

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Xcel Energy operates the Company and Northern States Power Company, a Wisconsin corporation (“NSPW”) transmission assets as one transmission system. Pursuant to the terms of the Federal Energy Regulatory Commission (“FERC”) regulated “Restated Agreement to Coordinate Planning and Operations and Interchange Power and Energy between Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin)” (“Interchange Agreement”), all transmission costs are shared between the Company and NSPW based on load ratio share using a FERC approved 36 month coincident peak demand allocator. The Company’s portion is here referred to as the NSPM 36 month CP demand percentage. Within the Company, a 12 month coincident peak demand allocator is used to allocate costs between the Company’s South Dakota, North Dakota, Minnesota and full requirements Wholesale jurisdictions. The South Dakota portion is here referred to as the SD 12 month CP demand percentage. A composite demand allocator for the South Dakota jurisdiction is calculated by multiplying the NSPM 36 month CP demand percentage by the SD 12 month CP demand percentage. As a result, the Company determines the South Dakota jurisdictional portion of revenue requirements for transmission projects recovered under the TCR Rider by calculating total project revenue requirements and multiplying them by the composite demand allocator. (Development of the allocators is depicted in Attachment 22)

*(4) A description of the public utility’s efforts to ensure the lowest reasonable costs to ratepayers for the project; and*

The Company has made extensive efforts to ensure the lowest reasonable cost to ratepayers for the proposed TCR-eligible projects. For example, Xcel Energy transmission planners analyzed over a dozen project alternatives in the Buffalo Ridge docket. Each alternative was evaluated based on performance, cost, efficiency as measured by energy losses, and the enhancement of reliability to local consumers. The Buffalo Ridge study revealed that the three lines we ultimately constructed were the most economical additions for the amount of additional capacity created. Similar analysis was performed for the other projects included in this petition for cost recovery. Secondly, where possible, Xcel Energy has competitively bid engineering, equipment procurement and construction for the projects included in this petition. Third, Xcel Energy has developed a standard design for collector stations, thereby minimizing design and engineering costs.

*(5) Calculations to establish that the rate adjustment is consistent with the terms of the tariff established in § 49-34A-25.2.*

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Attachment 6 contains the calculation of the proposed 2011 TCR rate adjustment. The Company provides the detail of these calculations under the Cost Recovery section of this Petition. We believe that these calculations are consistent with the terms of the TCR tariff proposed and described in Attachment 32.

*S. D. Codified Laws 49-34A-25.4 - Upon receiving a filing under § 49-34A-25.3 for a rate adjustment pursuant to the tariff established in § 49-34A-25.2, the commission shall approve the annual rate adjustments if, after notice, hearing, and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest reasonable cost to ratepayers.*

Based on the information provided in this Petition and the merits of the projects for which the Company requests recovery under the Transmission Cost Recovery Statute, Xcel Energy respectfully requests Commission approval of these projects for TCR recovery.

### **C. Tracker Account and Accounting**

#### ***i.* TCR Tracker Account**

The Company uses a tracker account (“Tracker”) as the accounting mechanism for eligible TCR project costs. The revenue requirements included in the Tracker are only those related to South Dakota’s share of eligible projects. In making our calculations, the Company used the most current data available at the time of this filing and apply the composite demand allocator described previously, which serves to:

- Allocate a share of the total costs to NSPW.
- Exclude the portion of Company costs not related to serving South Dakota retail customers. This step allocates a share of costs to the North Dakota and Minnesota retail jurisdictions, and to the firm requirements wholesale sales jurisdiction.

The result of this allocation process is that South Dakota electric customers are allocated approximately 4% of total transmission costs. By performing this cost allocation process, we ensure that electric customers in other jurisdictions are allocated a share of TCR revenue requirements, consistent with the Company’s allocation of similar costs in a general rate case.

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Each month as revenues are collected from retail customers, the Company tracks the amount of recovery under the TCR rate adjustment and compares that amount with the monthly revenue requirements. The difference is recorded in the Tracker account as the amount of over/under recovery. A carrying charge is calculated monthly on the over- or under-recovered balance and added to the tracker balance. Any over- or under-recovery balance at the end of the year is used in the calculation of the rate adjustment factor for the next year's forecasted revenue requirement.

***ii.* Accounting for the Tracker**

Xcel Energy calculates the monthly South Dakota jurisdictional revenue requirements (including appropriate overall return, income taxes, property taxes and depreciation), compares them with monthly TCR rate rider recoveries from customers and places the net amount in FERC Account 182.3, Other Regulatory Assets (the Tracker Account).

**D. Project Cost Recovery**

***i.* Summary**

The Cost Recovery and TCR Rate section provides support for the proposed 2011 TCR adjustment rates. This information may be summarized as follows:

- The projected TCR tracker activity for 2011, including both revenue requirements and projected revenues, is included in Attachment 4.
- The projected 2011 revenue requirements proposed to be recovered under the TCR adjustment rates from South Dakota electric customers are approximately \$729,000. Support for this amount is included in Attachment 4. These calculations are discussed in detail below.
- Projected revenues are calculated by month as shown in Attachment 5 and are based on forecast 2011 State of South Dakota budget sales by calendar month.
- The development of the TCR adjustment factor is included in Attachment 6. The proposed factor is shown on the next page.

***ii.* Proposed 2011 TCR Adjustment Factors**

The Company's TCR rate design is simply the annual calculated revenue requirements (including the current year South Dakota jurisdictional project costs and the carryover balance from the previous year) divided by the total annual forecast kWh to South

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Dakota electric sales for retail customers. This calculation is shown on Attachment 6, TCR Rate Adjustment Factor Calculation.

Based on this rate design, we propose the following TCR adjustment factor:

	Rate/kWh
All Customers	\$0.000359

The average bill impact for a residential customer using 750 kWh per month would be \$0.2693 per month.

***iii.* 2011 TCR Rider Revenue Requirements**

The 2011 revenue requirements in support of the proposed TCR adjustment rates are set forth in Attachment 4. The Transmission Statute provides guidance on the calculation of revenue requirements in S. D. Codified Laws 49-34A-25.2. The Company incorporates Parts 2 through 5 of that section into the Transmission project revenue requirements model in 2011. The following explains how we apply these provisions:

*S. D. Codified Laws 49-34A-25.2 (2) Allows a return on investment at the level approved in the public utility's last general rate case, unless a different return is found to be consistent with the public interest.*

The overall cost of capital to be used in TCR Rider revenue requirement calculations was determined in the Commission's Order in Docket No. E07-007 approving a Settlement Agreement with modifications. The capital structure to be used was addressed in the Settlement Agreement at page 3 as stated below:

“...2. Rate of Return - The Parties agree that the rate of return applicable to the eligible transmission investments reflected in the TCR rider shall be based on the Company's actual capital structure and senior capital costs (long-term debt) at the end of the preceding calendar year...”

The Commission Order in this docket superseded the Settlement Agreement with respect to the applicable return on equity and included the following ordering paragraph:

“...(ii) that the return on equity value to be included in the rate of return on investment will be 9.5% as provided in Elements of Settlement Stipulation, paragraph 2, but that if Xcel makes a general rate filing utilizing 2008 as the

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test year, the Commission may determine, based on its findings on the evidence received in such case, the appropriate return on equity value to be utilized under the TCR Rider, including the appropriate return on equity to be utilized and subject to trueup for the period from July 1, 2008, to the effective date of such order. The return on equity value may or may not be the same as the return on equity value approved for Xcel's general rate filing depending on the Commission's findings on the evidence received in such case.”

Our revenue requirements in this instant petition reflect the Company's actual 2008 capital structure for 2008 calculations and actual 2009 capital structure for the years 2009 through 2011. Since the Company did file a general rate case utilizing a 2008 test year, we used the return on equity approved by the Commission in that case for each year 2008 through 2011. As a result, we use an overall rate of return to calculate the return on construction work in progress (“CWIP”) and rate base of 8.37% for 2008 and 8.38% for 2009 to 2011. (See the base assumptions in Exhibit 22).

*S. D. Codified Laws 49-34A-25.2 (3) Provides for a current return on construction work in progress, if the recovery from retail customers for the allowance for funds used during construction is not sought through any other mechanism.*

The Company's 2011 TCR revenue requirement model includes a current return on capital expenditures beginning with the cumulative CWIP balance for each project at January 1, 2011, or the date construction expenditures begin after that date, whichever is sooner. The beginning CWIP balance includes Allowance for Funds Used During Construction (“AFUDC”) incurred prior to January 1, 2011. After that date, the South Dakota jurisdictional portion of costs does not include AFUDC and a current return is calculated on the CWIP balance.

No project costs related to the 2011 transmission projects are included in South Dakota base rates with the exception of a portion of the costs related to Project No. 13, the BRIGO project. Therefore, we have excluded from recovery in this rider the BRIGO project costs currently recovered through base rates. The revenue requirement calculation associated with these costs is shown in Attachment 29. The exclusion of these costs from our requested recovery is shown in Attachment 4 on the line labeled “Revenue Requirement in Base Rates”. As a result, capital projects included in this request are not being recovered from South Dakota customers under any other mechanism.

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*S. D. Codified Laws 49-34A-25.2(4) Allocates project costs appropriately between wholesale and retail customers;*

Project costs are allocated to the State of South Dakota retail jurisdiction based on the demand allocator, excluding demands for NSPW as well as the Company's North Dakota, Minnesota and wholesale customer demands. In addition, to ensure no double recovery occurs from Open Access Transmission Tariff ("OATT") revenue collected from non-NSP native load customers, the Company will apply an OATT revenue credit calculated based on a forecast of OATT revenue collections divided by the transmission revenue requirements included in the OATT rate calculation for the Company's pricing zone under the Midwest ISO Transmission and Energy Markets Tariff ("MISO TEMT").

For purposes of calculating projected revenue requirements, the Company proposes to use 2010 forecast demand allocators. Any resulting over/under recovery from customers as a result of the use of the 2010 demand factors will be reflected in the true up of 2011 revenues when determining the 2012 TCR adjustment rate. These demand allocators are shown in Attachment 22.

In addition to inclusion of the above provisions in the Transmission Statute project revenue requirements model and consistent with the Commission's order in Docket No. EL07-007, we include the following related costs: property taxes, current and deferred taxes and book depreciation. Attachments 8-21 show the revenue requirement calculations for the proposed TCR projects.

### **(7) Proposed Effective Date of Modified Rate**

The Company proposes a January 1, 2011 implementation date. However, if the Commission approval is delayed such that we cannot meet this date, we would propose implementation in the second calendar month following Commission approval consistent with the process developed in implementing the monthly fuel clause adjustment factor.

In the event Commission approval occurs after January 1, 2011, the Company proposes to calculate the TCR factors based on forecasted sales over the remaining months of 2011 in an effort to match as closely as possible 2011 revenue recoveries and 2011 revenue requirements.

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**(8) Approximation of Annual Increase in Revenue**

Attachment 7 shows the TCR Tracker Account activity from 2008 through 2011. When the tracker balance from 2010 is combined with the revenue requirements from Attachment 4 for 2011, it results in a revenue requirement of \$729,000 for 2011. If approved, this amount would be passed to customers from January to December 2011 through this tariff mechanism. The 2011 revenue requirement represents a \$446,826 increase in revenue when compared to the \$282,174 estimated to be recovered through the TCR during 2010.

**(9) Points Affected**

The proposed rate adjustment would be applicable to all areas served by Xcel Energy in South Dakota.

**(10) Estimation of the Number of Customers whose Cost of Service will be Affected and Annual Amounts of either Increases or Decreases, or both, in Cost of Service to those Customers**

This tariff rider is proposed to be applied to all customers throughout all customer classes as described within this petition. Xcel Energy presently serves 83,000 customers in 36 communities in Eastern South Dakota.

**(11) Statement of Facts, Expert Opinions, Documents, and Exhibits to Support the Proposed Changes**

Supporting information is provided in narrative throughout this petition and in the attached Exhibits.

**Planned Customer Notice**

The Company plans to provide notice to customers regarding inclusion of this cost on their monthly electric bill. The following is proposed language to be included as a notice on the customers' bill the month the TCR factor is implemented:

“This month the Transmission Cost Recovery (TCR) Adjustment, which recovers the costs and expenses of new or modified transmission facilities, will be increasing from \$0.000094 per kWh to \$0.000359 per kWh. Questions? Contact us at 1-800-895-4999”

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We will work with the Commission Staff to determine if there are any suggestions to modify this notice.

**CONFIDENTIAL INFORMATION**

Pursuant to South Dakota Admin. R. 20:10:01:41, we provide the following support for our request to classify certain documentation as confidential trade secret data:

- We request confidential treatment of Attachments 22 AND 29 Pursuant to S.D. Codified Laws Chapter 20:10:01:41. The Company submits the following justification for confidential treatment of Attachments 22 and 29.

**(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested;**

We request confidential treatment on the grounds that the material is proprietary and trade secret information, the disclosure of which would result in material damage to the Company's financial or competitive position. Attachments 22 and 29 contain financial information that is not available to the general public.

**(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment;**

The Company requests that Attachment 22 and 29 be recognized as trade secret data in perpetuity.

**(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request;**

James C. Wilcox  
Manager, Regulatory Administration  
500 W. Russell Street  
P.O. Box 988  
Sioux Falls, South Dakota 57101  
(605) 339-8350

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**(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future;**

In accordance with South Dakota Admin. R. 20:10:01:39 through 42, Xcel Energy respectfully requests confidential treatment of certain information contained in this filing. In compliance with South Dakota Admin. R. 20:10:01:41, we have clearly marked each page containing confidential information as "CONFIDENTIAL" and submitted it in a separate sealed envelope along with this filing.

The claim for confidential treatment is based on South Dakota Admin. R. 20:10:01:39 (4) and S.D. Codified Laws Chapter 1-27-30. The information contained within the referenced documents meets the definition of "trade secret" under S.D. Codified Laws Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that "Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy." The information also meets the definition of "proprietary information" under S.D. Codified Laws Chapter 1-27-28, which is defined as "information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity's business purposes."

**(5) The factual basis that qualifies the information for confidentiality under the authority cited.**

The Company's cost of capital was determined to be trade secret in the Company's 2009 electric rate case and this filing is consistent with that determination.

**Appearance of Counsel**

The Company will be represented in this proceeding by the following counsel upon whom all pleadings, documents and other filings should be served:

Brett Koenecke  
May Adam Gerdes and Thompson, LLP  
PO Box 160  
503 S Pierre St.  
Pierre, SD 57501

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**Conclusion**

Xcel Energy respectfully requests that the Commission approve the revised TCR Rider Adjustment Factor for 2011 described in this filing. This revised factor is designed to recover the costs associated with significant investments in needed transmission infrastructure, and appreciates the interest and efforts of South Dakota policy makers in supporting that effort.

Dated: October 6, 2010  
Northern States Power Company  
a Minnesota corporation



By: \_\_\_\_\_  
JAMES C. WILCOX  
Manager, Government & Regulatory Affairs

**TRANSMISSION COST RECOVERY RIDER  
DESCRIPTION OF PROJECTS PROPOSED  
TO BE ELIGIBLE UNDER SDCL 49-34A-25.1**

**Projects 1-6 were approved by the Commission in the Company's initial Transmission Cost Recovery Rider. The projects include:**

- Project 1. 825 Wind Main Project**
- Project 2. Yankee Collector**
- Project 3. Fenton Collector**
- Project 4. Series Capacitor**
- Project 5. Nobles Co. Collector**
- Project 6. Rock County Collector**

**The Company seeks project eligibility determination for the following projects:**

- Project 7. CapX2020 Brookings – Twins Cities 345 kV transmission line**

***Project Description and Context***

The Brookings Project consists of a series of 345 kV segments between the Brookings County Substation in Brookings County, South Dakota and the southeast corner of the Twin Cities area in Minnesota at the proposed new Hampton Substation. The Brookings Project includes an approximately 25-mile, 345 kV circuit from the Lyon County Substation near Marshall, Minnesota to a new substation southwest of Granite Falls, Minnesota (Hazel Creek Substation), and an approximately 8 to 10 mile, 230 kV transmission line from the Hazel Creek Substation to the existing Minnesota Valley Substation on the east side of Granite Falls, Minnesota.

The western-most segment will be a 345 kV circuit between the Brookings County Substation and the Lyon County Substation. As filed in the route permit application, this segment will be approximately 50 to 60 miles long and constructed in a double circuit configuration by using structures capable of supporting a second circuit in the future.

The segment from Lyon County Substation to the new Hazel Creek Substation and then on to Minnesota Valley Substation near Granite Falls, Minnesota will be approximately 30 - 35 miles long and will in part replace an existing 115 kV line. It will also be constructed in a double circuit configuration by using structures capable of supporting a second 345 kV circuit in the future.

The Lyon County – Cedar Mountain segment will consist of a double circuit 345 kV transmission line between the Lyon County Substation and a new substation (Cedar Mountain) in the Franklin, Minnesota area. This segment will be approximately 55 miles long.

The Cedar Mountain - Helena segment of the Project consists of a double circuit 345 kV transmission line between the Cedar Mountain substation and a new substation (Helena Substation) generally in the vicinity of New Prague, Minnesota. This segment of the project will be approximately 60 - 75 miles long.

There are two additional 345 kV single circuit segments of the Brookings Project in the far southern part of the Twin Cities metropolitan area in Minnesota. From the Helena Substation, the 345 kV single circuit will continue east to the Lake Marion Substation in Scott County, Minnesota. From the Lake Marion Substation, the 345 kV circuit will continue to the new Hampton Substation. These two segments will be a combined 45 to 55 miles long and will be constructed using the double circuit compatible configuration with one circuit installed initially.

### ***Efforts to Ensure Lowest Cost to Ratepayers***

The CapX2020 group of utilities established a coordinated regional approach to addressing both regional and community reliability needs, and longer-term growth. To ensure cost-effective implementation of the CapX2020 projects (Fargo, Brookings, La Crosse, and Bemidji lines), the Company, through its participation in the CapX2020 Initiative, provided for a prudent means of developing the projects. The CapX2020 Initiative was formed to meet the growing transmission needs of all utilities in the region. By coordinating regional planning, the region's utilities are able to develop complete solutions to regional transmission needs instead of piecemeal solutions that could lead to duplicative transmission facilities being built. Further, by acting as a group, the CapX2020 Utilities obtain improved efficiency in permitting, routing, scheduling, material purchasing and overall project development. Overall, the

Company's participation in the initiative allows us to lessen our costs and achieve greater benefits from the projects due to the strength and size of the organization. For example, by working together, the CapX2020 Utilities have been able to develop a comprehensive set of alternatives for improvement of the transmission system, as opposed to crafting piecemeal solutions that would result from individual utility solutions.

In addition, by working together within the regulatory environment to jointly file applications for permits in all of the affected jurisdictions allows regulators to more fully understand the scope, benefits and impacts of the projects and not be subjected to numerous separate filings by individual utilities on separate projects that may often times work at cross purposes. The joint approach taken by the Company and the other participating utilities is a prudent way to proceed with developing the projects in order to spread the costs among a broad array of utilities. An investment of approximately \$1.8 billion for all of the projects would be difficult for any one utility to undertake. By collaborating with a number of other regional utilities, the Company is able to successfully spread its risks and balance its costs.

Finally, the Company and the participating utilities recognize that there will be benefits arising from a coordinated effort in securing materials and services required to build the CapX2020 projects. As such, a joint sourcing approach is being utilized to pursue benefits in order to minimize or eliminate inter-project competition for labor and material resources, maximize leverage on vendors and specification standardization, establish a common request for proposal ("RFP") process to present one "CapX2020 face" to the market and eliminate inefficiencies, maximize inter-project flexibility where possible for services. For example, utilizing a joint sourcing process across the projects creates a spend volume asset. This volume consolidation and early RFP activity allows manufactures and suppliers the ability to plan fabrication in advance of the delivery needs. This approach works to avoid the premium costs associated with orders outside of the lead time and typically garners more attractive pricing when the suppliers, manufactures and contractors are able to advance plan their production schedules or field resources.

**Project 8. CapX2020 Fargo – Twin Cities 345 kV Transmission Line*****Project Description and Context***

The Fargo Project consists of a series of new 345 kV single circuit transmission line segments between Fargo, North Dakota and Monticello, Minnesota (at the far northwest corner of the Minneapolis/St. Paul metropolitan area). All of these line segments will be constructed in a double circuit compatible configuration by using structures capable of supporting a second circuit in the future.

The first segment consists of a 345 kV circuit between the Fargo, North Dakota area, either at the existing Maple River Substation or at a new Fargo area substation approved by the Commission during the route permitting phase and an expanded substation in the Alexandria, Minnesota area (Alexandria Switching Station). This segment will be approximately 130-165 miles long depending on ultimate routing approval. The second segment consists of a 345 kV circuit from the Alexandria Switching station to a new substation (Quarry Substation) on the western side of St. Cloud, Minnesota. This segment will be approximately 75-85 miles long. The third segment includes a 345 kV circuit between Quarry Substation and Monticello Substation on the Monticello Power Plant site in Monticello, Minnesota. This segment will be approximately 28 miles long.

***Efforts to Ensure Lowest Cost to Ratepayers***

See Brooking discussion above

**Project 9. CapX2020 Twin Cities – LaCrosse 345 kV transmission line*****Project Description and Context***

The La Crosse Project consists of a series of 345 kV transmission line circuits from the Twin Cities to Rochester, Minnesota, and on to La Crosse, Wisconsin. The La Crosse Project also includes two new 161 kV transmission lines in the Rochester, Minnesota area.

The northwestern terminus of the La Crosse Project will be the new Hampton Substation, which will connect the new 345 kV transmission line to the existing

Prairie Island – Blue Lake 345 kV transmission line in the vicinity of Hampton, Minnesota. From the new Hampton Substation, the new 345 kV transmission line will be routed to a new substation (North Rochester Substation). This segment of the La Crosse Project will be approximately 40 to 50 miles long and will be constructed using a double circuit compatible configuration.

As part of the La Crosse Project, two 161 kV transmission lines will connect the new North Rochester Substation to two existing distribution substations in the Rochester area (Chester and Northern Hills Substations). The North Rochester – Northern Hills 161 kV transmission line will be approximately 15 – 20 miles long. The North Rochester – Chester 161 kV transmission line will be approximately 20 to 30 miles long.

The remaining segment of the 345 kV transmission line will connect the North Rochester Substation to a substation in the Holmen, Wisconsin area north of La Crosse. The estimated length of the segment will be 85 – 95 miles depending on where the line is routed and will be constructed using a double circuit compatible configuration in Minnesota. Single circuit 345 kV will be proposed in Wisconsin.

*Efforts to Ensure Lowest Cost to Ratepayers*

See Brookings discussion above.

**Project 10. CapX2020 Bemidji – Grand Rapids 230 kV transmission line**

*Project Description and Context*

The Bemidji Project is a 230 kV circuit from the Wilton Substation near Bemidji, Minnesota to a new substation near Cass Lake (Clear Lake Substation) and then to the Boswell Substation in Cohasset, Minnesota. The Bemidji Project will be approximately 68 miles long.

*Efforts to Ensure Lowest Cost to Ratepayers*

See Brookings discussion above

**Project 11. Chisago – Apple River 115/161 kV transmission line**

This project was a joint effort between Xcel Energy and Dairyland Power Cooperative. The Companies replaced an existing 69 kV transmission line with a new 115 kV line from the Chisago County Substation near North Branch to a new substation near Taylors Falls called Lawrence Creek Substation. From Lawrence Creek Substation to Border Substation in St. Croix Falls, Wisconsin, the Companies replaced a 69 kV line with a new 161 kV line. From the Border Substation to the Apple River Substation in Amery, Wisconsin, an existing 69 kV line was replaced with a double circuit 161/69 kV line. The 161 kV line was placed underground through the land district within the Lower St. Croix National Scenic Riverway. The actual St. Croix River crossing at the St. Croix Falls Substation is overhead construction. These lines were needed to ensure system reliability for area customers. System demand in the area exceeded capacity during hundreds of hours during the year if any of several key transmission elements failed. The Commission granted a Certificate of Need for this project on February 20, 2008 in Docket No. E-002/CN-04-1176. On July 30, 2008, the Commission granted a route permit.

***Efforts to Ensure Lowest Cost to Ratepayers***

The Chisago-Apple River project was needed to accommodate load growth in the area. Additionally, the project was needed to prevent low voltages and unacceptable line loadings during transmission outages. The ultimate design plan was studied along with several alternatives and it was concluded to be the low cost solution while providing the greatest benefits to the area.

**Project 12. Blue Lake – Wilmarth transmission modification*****Project Description and Context***

In October 2008, an interconnection study was conducted to determine what upgrades to the system would be required in order for the 150 MW Heartland Wind Farm to connect to the grid near Trimont, Minnesota. This wind farm will connect to the existing 345/161 kV Lakefield Junction Substation. The interconnection study identified the need for upgrades to the 54-mile Blue Lake-Wilmarth-Lakefield 345 kV transmission line and associated substation equipment to increase the lines capacity to accommodate additional wind generation in southwestern Minnesota. Construction began in the fall of 2008

with an anticipated in-service date of December of 2009. The project consists of upgrades at the Blue Lake, Lakefield, Wilmarth, and Fieldon Substations. In addition, phase raisers were placed on existing poles to increase ground clearance of the line conductors without having to completely rebuild the line. The phase raisers allow the distance between each conductor to be increased, which increases the electrical carrying capacity of the conductor. MISO also identified this line as a limiter to 17 additional renewable generation interconnection requests in the MISO Group 5 interconnection study.

### *Efforts to Ensure Lowest Cost to Ratepayers*

Where feasible, phase raisers were used to modify some structures in lieu of replacing structures. Phase raisers are less expensive than replacement structures and they allow construction to be completed without the added cost of taking the line out of service. Raisers also increase the life of the structures.

### **Project 13. BRIGO 115 kV transmission lines (3 Ea.)**

#### *Project Description and Context*

The BRIGO projects consists of three 115 kV transmission lines located in the Buffalo Ridge area of southwestern Minnesota. The lines provide additional capacity for wind generation outlet from the Buffalo Ridge to the Company's load centers. It has the added benefit of increasing service reliability to the City of Marshall by providing a new transmission source into the south side of the City's transmission system. Combined, the three new lines and associated substations provide approximately 300 MW of additional outlet capacity for wind generation. Without these new lines, further wind turbine development on the Buffalo Ridge would not be possible. The lines serve as an interim solution until the new 345 kV transmission lines can be constructed from southwest Minnesota to the Twin Cities (the CapX2020 transmission lines).

### *Efforts to Ensure Lowest Cost to Ratepayers*

The Company studied multiple options for the purpose of increasing wind generation from the Buffalo Ridge area. The three transmission lines and associated substations were chosen because they provided the greatest increase in wind generation outlet capacity at the lowest cost. The load serving concerns of the City of Marshall municipal utility were also addressed.

**Project 14. North Mankato 115 kV transmission line*****Project Description and Context***

This project consists of approximately 6 to 9 miles of new 115 kV transmission line, a high voltage and low voltage substation located north of the city of Mankato in southern Minnesota. This project is necessary to meet customer demand due to load growth in the area. This project will alleviate low voltage and excessive transmission line loading during high summer loads and transmission outages. Construction will begin in 2010 and the system will be placed in service in 2013.

The project includes the following components:

- 1) 345/115 kV transformer at the Helena substation.
- 2) New 115 kV line from Helena – St. Thomas
- 3) New 115/69 kV substation at St. Thomas with two 69 kV line terminations and one 115 kV termination.
- 4) New 69 kV switching station at Le Sueur Tap with room to expand for future 115 kV yard and 115/69 kV transformer.
- 5) Upgrade St. Thomas – Le Center 69 kV line to 84 MVA

***Efforts to Ensure Lowest Cost to Ratepayers***

All major materials (steel structures, switches, transformers, breakers and conductors) and construction labor for this project will take advantage of contracts that have been negotiated by the Company's sourcing group. These contracts were negotiated based on Xcel Energy system-wide use of materials and components resulting in lowest cost.

**Project 15. Merricourt System Upgrades*****Project Description and Context***

The Merricourt Wind Project is a 150 MW wind energy generation facility in McIntosh and Dickey Counties, North Dakota. The Wind Project is part of the Company's plan to meet the combined renewable energy standards and objectives

of the states we serve. The project is expected to be in service by November 30, 2011.

The study work necessary to define the transmission network infrastructure to alleviate system constraints and deliver Merricourt's output has been completed. The principal transmission provider in the vicinity of the Merricourt project is Montana Dakota Utilities ("MDU"). enXco, the project developer, and the Company have worked closely with MDU and MISO and on April 27, 2010, enXco executed an interconnection agreement with MDU and MISO specifying the transmission improvements MDU must make to their system in order for the project to be connected to the system and reliably deliver its output.

Xcel Energy has agreed to compensate MDU for \$22,535,000 in transmission network improvements. This includes a new 30 mile long 230 kV transmission line from the project area to Ellendale Substation, a new substation in the Project area, and a new transformer and breakers at another existing substation in the area. As provided in MISO tariffs, MDU has elected to collect the project's share of these costs over time, as monthly payments. Because of the payment method selected by MDU, these costs will not be capitalized and the Company is requesting recovery of these costs in the Transmission Cost Recovery Rider beginning in 2011.

In the June 10<sup>th</sup> Merricourt Order, the Commission found the Project (including transmission upgrade estimates) to be an RES eligible resource and a reasonable way of meeting the Company's Renewable Energy Standards obligation. Here we are seeking the Commission's determination that these transmission costs are eligible for recovery through the TCR so that they can be treated in a manner consistent with other network upgrade expenditures associated with renewable developments. For example the network upgrades associated with the Nobles Wind Project were included in last year's TCR rider.

#### ***Efforts to Ensure Lowest Cost to Ratepayers***

The Company worked closely with MDU, enXco, and MISO to develop a transmission interconnection plan for the Merricourt Wind Project. The transmission analysis identified a number of alternatives and ultimately the least cost plan was chosen.

**Transmission Cost Recovery Rider  
Project Implementation Schedule**

<b>Project I.D. #</b>	<b>Project Name</b>	<b>Route Permit/Cert. of Need</b>	<b>Design/Engineering/Procurement</b>	<b>ROW Acquisition</b>	<b>Construction Start</b>	<b>In-Service</b>
Project 7	Chisago – Apple River	February 20, 2008 CON and Route Permit	June, 2008	2009	March, 2009	May, 2011
Project 8	BRIGO	September 14, 2007 CON  January 2008	2008	February, 2008	December, 2009	
Project 9	Fargo – Twin Cities	Monticello – St. Cloud Route Permit 7/12/2010  St. Cloud – Fargo Route Permit 5/1/2011  Certificate of Need 5/22/2009	Monticello – St. Cloud Engineering Start 1/2/2010 Procurement Start 7/1/2010  St. Cloud – Fargo Engineering Start 10/1/2010 Procurement Start 7/1/2011	Monticello-St. Cloud ROW Acquisition 7/15/2010  St. Cloud Fargo ROW Acquisition 5/15/2011	Monticello-St. Cloud Construction Start 11/1/2010  St. Cloud Fargo Construction Start 10/1/2011	Monticello-St. Cloud In-Service 12/15/2011  St. Cloud Fargo In-Service 4/1/2015
Project 10	Brookings – Twin Cities	Certificate of Need 5/22/2009  Route Permit MN  Route Permit SD	November 2011	November 2011	May 2012	June 2015

ATTACHMENT 2  
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Project 11	Twin Cities – La Crosse	CON MN: May 22, 2009  Route Permit MN: December 2011  CPCN WI: December 2011	October 2011	January 2012	April 2012	June 2015
Project 12	Bemidji – Grand Rapids	CON: July 14, 2009  Route Permit November 2010	July 2010	January 2011	June 2011	September 2012
Project 13	North Mankato	CON not required. Route permit to be filed Feb. 2011	Start engineering & procurement - October 2010	September 2011	October 2011	February 2013
Project 14	Blue Lake - Wilmarth	No CON/Route Permit were required	October 2008	None required – rebuilt on existing ROW	June 2009	October 2010
Project 15	Merticourt System Upgrades	April 1, 2011	Substation procurement complete June 1, 2011; transmission procurement complete July 1, 2011	March 1, 2010	April 1, 2011	December 1, 2011

Expenditures Forecast Through the Year 2015 Only - Total Project Costs Can Be Found On Attachment 1

Project Number	TCR Project	Function	GrandParent Project Number	Eligibility Date	AFUDC Pre-	Pre-Eligible Classification	CWIP Pre-2009	2010	2011	2012	2013	2014	2015	Total
<b>TRANSMISSION STATUTE PROJECTS (1)</b>														
Project 7	BRIGO	Lines	MN180006L	11/1/2011	3,109,208		40,220,991	141,922	-	-	-	-	-	43,472,121
	BRIGO	Land	MN180006R	11/1/2011	-		1,446,972	(572,840)	-	-	-	-	-	874,132
	BRIGO	Subs	MN180006S	11/1/2011	1,141,314		23,165,752	47,170	-	-	-	-	-	24,354,236
Project 8	Chisago Apple River	Lines	MN180007L	11/1/2011	2,821,897	(13,454)	9,470,719	4,885,846	728,300	-	-	-	-	17,893,108
	Chisago Apple River	Land	MN180007R	11/1/2011	-		598,241	139,255	-	-	-	-	-	735,495
	Chisago Apple River	Subs	MN180007S	11/1/2011	2,181,631		8,859,424	4,030,981	-	-	-	-	-	15,072,016
	Chisago Apple River	Lines	WI180007L	11/1/2011	-		5,695,170	6,345,345	400	-	-	-	-	12,040,918
	Chisago Apple River	Land	WI180007R	11/1/2011	-		-	799,900	-	-	-	-	-	799,900
	Chisago Apple River	Subs	WI180007S	11/1/2011	-		1,591,816	1,331,462	452,200	-	-	-	-	3,375,478
Project 9	CAPX2020 - Fargo	Lines	MN180012L	11/1/2011	860,842		3,781,317	2,358,776	2,605,000	35,636,000	63,689,000	44,480,001	2,135,000	155,543,936
	CAPX2020 - Fargo	Land	MN180012R	11/1/2011	-		-	5,604,000	5,046,000	4,784,000	1,245,000	-	-	16,679,000
	CAPX2020 - Fargo	Subs	MN180012S	11/1/2011	174,917		86,711	10,635,480	11,281,860	2,008,220	7,766,000	9,780,000	11,667,000	53,400,189
Project 10	CAPX2020 - Brookings	Lines	MN180010L	11/1/2011	2,376,982		10,728,327	2,848,357	4,574,750	90,086,000	164,285,000	118,028,001	39,484,000	432,511,418
	CAPX2020 - Brookings	Land	MN180010R	11/1/2011	-		55,287	-	10,934,000	5,570,000	14,770,000	-	-	31,329,287
	CAPX2020 - Brookings	Subs	MN180010S	11/1/2011	-		-	-	-	3,932,000	16,306,000	29,718,000	15,095,000	65,051,000
Project 11	CAPX2020 - La Crosse	Lines	MN180011L	11/1/2011	1,343,982		5,747,408	1,619,770	2,859,454	13,003,496	32,360,407	38,610,000	55,857,001	151,401,528
	CAPX2020 - La Crosse	Land	MN180011R	11/1/2011	-		-	-	1,187,910	4,642,713	-	4,897,000	-	10,727,623
	CAPX2020 - La Crosse	Subs	MN180011S	11/1/2011	-		-	-	2,000,000	16,502,200	7,385,600	1,341,000	-	27,228,800
	CAPX2020 - La Crosse	Lines	WI180011L	11/1/2011	-		839,685	1,330,631	1,200,000	1,683,000	1,901,000	35,672,000	22,805,000	65,431,316
	CAPX2020 - La Crosse	Land	WI180011R	11/1/2011	-		-	-	-	-	2,191,000	-	-	2,891,000
	CAPX2020 - La Crosse	Subs	WI180011S	11/1/2011	-		-	-	500,000	-	19,487,000	6,127,000	-	26,464,000
Project 12	CAPX2020 - Bemidji	Lines	MN180009L	11/1/2011	486,845		1,969,089	2,048,437	10,841,000	9,163,001	30,000	-	-	24,538,372
	CAPX2020 - Bemidji	Land	MN180009R	11/1/2011	-		-	109,600	1,614,000	1,374,000	3,000	-	-	3,100,600
	CAPX2020 - Bemidji	Subs	MN180009S	11/1/2011	3,889		-	182,000	-	-	-	-	-	185,889
Project 13	North Mankato	Lines	MN180015L	11/1/2011	292,084		28,736	525,403	2,339,000	680,000	-	-	-	3,845,223
	North Mankato	Land	MN180015R	11/1/2011	-		10,234	110,726	-	-	-	-	-	1,580,896
	North Mankato	Subs	MN180015S	11/1/2011	1,459,736		13,802	2,333,561	8,679,900	4,771,000	-	-	-	15,798,263
Project 14	Blue Lake/Wilmarth/Lakefield	Lines	MN180020L	11/1/2011	162,458		3,599,513	(993,699)	-	-	-	-	-	2,768,273
	Blue Lake/Wilmarth/Lakefield	Subs	MN180020S	11/1/2011	-		-	(2,559,442)	-	-	-	-	-	(2,559,442)
	Blue Lake/Wilmarth/Lakefield	Subs	MN180020S	11/1/2011	116,243		2,514,975	84,514	-	-	-	-	-	2,715,732
<b>TOTAL TRANSMISSION STATUTE PROJECTS</b>					<b>16,531,828</b>	<b>(13,454)</b>	<b>120,422,171</b>	<b>43,385,135</b>	<b>66,943,784</b>	<b>194,665,630</b>	<b>331,419,007</b>	<b>288,653,002</b>	<b>147,043,001</b>	<b>1,209,050,104</b>

Notes:

(1) Projects recoverable under the Transmission Statute (SDCL Chapter 49-34A Sections 25.1 through 25.4) include AFUDC through December 2010 with rate recovery beginning January 1, 2011 or the first month of project eligibility.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
Transmission Cost Recovery Rider

TCR Projected Tracker Activity for 2011		Forecast	2011 Total											
	Beg Balance	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	
Project 1 - 825 Wind Main Project (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 2 - Yankee Collector Stn (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 3 - Fenton Collector Stn (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 4 - Series Capacitor Stn (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 5 - Nobles Co Collector Stn (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 6 - Rock Co Collector Stn (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project 7 - BRIGO (2)	26,785	26,721	26,656	26,592	26,527	26,463	26,399	26,334	26,270	26,205	26,141	26,076	26,012	317,170
Project 8 - Chisago Apple River (3)	18,999	19,654	19,734	19,768	19,798	19,811	19,782	19,750	20,712	21,657	21,590	21,522	21,454	242,778
Project 9 - CAPX2020 - Fargo (4)	5,659	5,984	6,191	6,416	6,613	7,002	7,640	8,151	8,542	9,001	9,404	9,680	9,960	90,283
Project 10 - CAPX2020 - Brookings (5)	653	673	684	684	710	754	820	900	976	1,053	1,130	1,196	1,251	10,800
Project 11 - CAPX2020 - La Crosse 1 (6)	1,479	1,523	1,566	1,609	1,657	1,708	1,811	1,933	2,065	2,207	2,305	2,436	2,567	22,299
Project 11 - CAPX2020 - La Crosse 2 (7)	2,138	2,202	2,266	2,330	2,399	2,474	2,621	2,796	2,983	3,184	3,326	3,516	3,711	32,234
Project 12 - CAPX2020 - Bemidji (8)	1,278	1,302	1,338	1,378	1,452	1,615	1,852	2,082	2,371	2,869	3,585	4,245	4,945	25,367
Project 13 - North Mankato Plan (9)	257	371	480	545	608	670	724	768	802	833	866	904	944	7,829
Project 14 - Blue Lake / Wilmarth (10)	1,346	1,339	1,332	1,325	1,317	1,310	1,303	1,295	1,288	1,281	1,273	1,266	1,259	15,676
<b>Subtotal Transmission Statute Projects</b>	-	58,594	59,769	60,248	60,673	61,125	61,873	63,033	64,086	66,087	68,366	69,686	70,896	764,435
Revenue Requirement in Base Rates (11)		(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(12,462)	(149,546)
TCR True-up Carryover (12)	26,150	-	-	-	-	-	-	-	-	-	-	-	-	26,150
<b>Total Expense (13)</b>	\$ 26,150	\$ 72,282	\$ 47,307	\$ 47,786	\$ 48,211	\$ 48,663	\$ 49,411	\$ 50,571	\$ 51,624	\$ 53,625	\$ 55,904	\$ 57,224	\$ 58,434	\$ 641,039
Revenues (14)		52,512	50,472	53,238	46,208	47,928	55,867	65,968	62,902	51,683	50,435	48,625	55,453	\$ 641,293
<b>Expenses Less Revenues (15)</b>	26,150	19,770	(3,165)	(5,452)	2,003	735	(6,456)	(15,397)	(11,278)	1,940	5,469	8,599	2,981	(254)
Balance before Carrying Charge (16)		19,770	16,781	11,478	13,583	14,439	8,112	(7,214)	(18,556)	(16,782)	(11,463)	(2,966)	(12)	(254)
Carrying Charge (17)		176	150	102	121	129	72	(64)	(165)	(150)	(102)	(26)	(9)	242
<b>Ending Balance (18)</b>	26,150	19,946	16,930	11,580	13,704	14,568	8,184	(7,278)	(18,722)	(16,931)	(11,565)	(2,993)	(12)	(12)

## Notes:

- (1) Revenue Requirements calculated for Projects 1 - 6 for 2011 have been included in the 2009 Rate Case.
- (2) Revenue Requirements calculated for Project 7 on Attachment 14
- (3) Revenue Requirements calculated for Project 8 on Attachment 15
- (4) Revenue Requirements calculated for Project 9 on Attachment 16
- (5) Revenue Requirements calculated for Project 10 on Attachment 17
- (6) Revenue Requirements calculated for Project 11 on Attachment 18a
- (7) Revenue Requirements calculated for Project 11 on Attachment 18b
- (8) Revenue Requirements calculated for Project 12 on Attachment 19
- (9) Revenue Requirements calculated for Project 13 on Attachment 20
- (10) Revenue Requirements calculated for Project 14 on Attachment 21
- (11) Revenue Requirement in Base Rates shown on Attachment 29
- (12) See Attachment 23 for the calculation of the TCR True-up Carryover.
- (13) Total Expense represents the total TCR Forecasted revenue requirements for 2011.
- (14) See Attachment 5 for the calculation of revenues collected under this rate adjustment rider. The factors are also shown on Attachment 6.
- (15) Expenses Less Revenues is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue that would have been received from customers under this rider.
- (16) Balance before carrying charge for the month.
- (17) Carrying Charge
- (18) Balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
 Transmission Cost Recovery Rider  
 2011 Revenue Calculation

Adjustment Factors	Total Revenue (2)	Retail Sales (3)	Average kWh Use Per Residential Customer	\$/kWh
2011 TCR Rates (1)	\$0.000316		750	\$ 0.2370
Jan-11	52,512	166,176,066		
Feb-11	50,472	159,721,228		
Mar-11	53,238	168,475,366		
Apr-11	46,208	146,228,699		
May-11	47,928	151,672,391		
Jun-11	55,867	176,794,634		
Jul-11	65,968	208,758,040		
Aug-11	62,902	199,056,512		
Sep-11	51,685	163,558,741		
Oct-11	50,435	159,605,838		
Nov-11	48,625	153,875,393		
Dec-11	55,453	175,484,675		
<b>Total Jan-Dec</b>	<b>\$ 641,293</b>	<b>2,029,407,583</b>		

Notes:

- (1) 2011 TCR Adjustment Factor is calculated on Attachment 6.
- (2) 2011 estimated revenues to be recovered under the TCR Rate Rider are calculated by multiplying the TCR Adjustment Factor, listed above, by the forecast sales for the month.
- (3) Sales are based on the 2011 State of South Dakota budget sales by calendar month.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota) Attachment 6  
 Transmission Cost Recovery Rider Page 1 of 1  
 2011 TCR Adjustment Factor Calculation

		Retail
TCR Adjustment Factor (1)	Cost Per kWh	\$0.000316
	SD retail Sales	2,029,407,583
	SD retail Cost	\$641,039

**Notes:**

1) The average retail cost per kWh is calculated by using the South Dakota electric retail cost divided by the annual South Dakota retail sales.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
TCR Rider Factor Calculation

Attachment 7

TCR Projected Tracker Activity for 2008 -2011	Actual	Actual	Forecast	Forecast
	2008	2009	2010	2011
Project 1 - 825 Wind Main Project	500,014	1,068,632	51,996	-
Project 2 - Yankee Collector Stn	15,380	30,791	1,497	-
Project 3 - Fenton Collector Stn	20,855	42,072	2,045	-
Project 4 - Series Capacitor Stn	20,076	40,467	1,968	-
Project 5 - Nobles Co Collector Stn	7,150	16,261	792	-
Project 6 - Rock Co Collector Stn	7,381	17,182	835	-
Project 7 - BRIGO	-	-	-	317,170
Project 8 - Chisago Apple River	-	-	-	242,778
Project 9 - CAPX2020 - Fargo	-	-	-	90,283
Project 10 - CAPX2020 - Brookings	-	-	-	10,800
Project 11 - CAPX2020 - La Crosse 1	-	-	-	22,299
Project 11 - CAPX2020 - La Crosse 2	-	-	-	32,234
Project 12 - CAPX2020 - Bemidji	-	-	-	25,367
Project 13 - North Mankato Plan	-	-	-	7,829
Project 14 - Blue Lake / Wilmarth	-	-	-	15,676
<b>Subtotal Transmission Statute Projects</b>	<b>570,856</b>	<b>1,215,405</b>	<b>59,132</b>	<b>764,435</b>
Revenue Requirement in Base Rates	-	-	-	(149,540)
TCR True-up Carryover	-	588,697	223,703	26,150
<b>Total Expense</b>	<b>\$ 570,856</b>	<b>\$ 1,804,102</b>	<b>\$ 282,835</b>	<b>\$ 641,039</b>
Revenues	-	1,630,916	267,847	641,293
<b>Balance</b>	<b>570,856</b>	<b>173,187</b>	<b>14,988</b>	<b>(254)</b>
<b>Balance before Carrying Charge</b>	<b>570,856</b>	<b>173,187</b>	<b>14,988</b>	<b>(254)</b>
Carrying Charge	17,841	50,516	11,161	242
<b>Ending Balance</b>	<b>588,697</b>	<b>223,703</b>	<b>26,150</b>	<b>(12)</b>

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>825 Wind Main</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	81,564,395	84,371,855	88,325,075	78,370,204	79,193,371	78,002,734	13,631,752	25,041,542	24,681,304	24,870,671	4,841,095	4,841,095	4,841,095
Plus Plant In-Service	119,754,562	119,949,952	119,461,242	128,638,915	131,827,790	134,635,900	198,664,214	189,265,125	189,242,582	189,606,520	209,825,442	210,251,071	210,251,071
Less Book Depreciation Reserve	553,926	769,904	985,628	1,210,605	1,445,331	1,683,020	1,971,524	2,307,215	2,641,951	2,976,618	3,322,607	3,680,108	3,680,108
Less Accum Deferred Taxes	910,593	1,153,550	1,418,890	1,715,728	2,002,290	2,284,737	2,933,142	3,438,722	3,901,105	4,361,894	4,853,415	5,375,860	5,375,860
End Of Month Rate Base	199,854,442	202,398,352	205,381,795	204,082,785	207,573,544	208,670,881	207,391,300	208,560,731	207,380,831	207,138,671	206,490,522	206,036,190	206,036,190
Average Rate Base (BOM/EOM)	198,546,500	201,126,400	203,890,070	204,732,290	205,828,160	208,122,210	208,031,090	207,976,010	207,970,781	207,259,755	206,814,601	206,263,355	205,546,772
<b>Calculation of Return</b>													
Plus Debt Return	534,421	541,365	548,804	551,071	554,021	560,196	559,950	559,802	559,788	557,874	556,676	555,192	6,639,161
Plus Equity Return	850,441	861,491	873,329	876,937	881,631	891,457	891,067	890,831	890,800	887,763	885,856	883,495	10,565,104
<b>Total Return</b>	<b>1,384,862</b>	<b>1,402,857</b>	<b>1,422,132</b>	<b>1,428,008</b>	<b>1,435,651</b>	<b>1,451,652</b>	<b>1,451,017</b>	<b>1,450,632</b>	<b>1,450,590</b>	<b>1,445,637</b>	<b>1,442,532</b>	<b>1,438,687</b>	<b>17,204,265</b>
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	156,750	156,750	156,750	156,750	156,750	156,750	156,750	156,750	156,750	156,750	156,750	156,750	1,880,995
Plus Book Depreciation	212,164	215,978	215,723	224,981	234,722	237,689	288,504	335,695	334,732	334,667	345,989	357,501	3,338,340
Plus Deferred Taxes	239,046	242,957	265,346	296,833	286,562	282,447	648,405	505,580	462,385	460,786	491,521	522,451	4,704,315
Plus Gross Up for Income Tax	379,499	384,485	371,992	296,126	347,454	350,363	25,629	92,087	125,544	125,148	100,380	75,217	2,673,924
Less AFUDC	464,476	483,482	523,014	287,651	444,994	415,982	180,443	752	3	0	0	0	2,800,797
Less AFUDC Gross Up for Income Tax	250,102	260,336	281,623	154,889	239,612	223,990	97,162	405	2	0	0	0	1,508,121
Less OATT Credit to retail customers	0	0	0	0	0	0	467,610	590,973	575,733	574,175	600,782	627,421	3,436,694
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	<b>272,881</b>	<b>256,352</b>	<b>205,175</b>	<b>532,150</b>	<b>340,881</b>	<b>367,277</b>	<b>374,073</b>	<b>497,982</b>	<b>503,674</b>	<b>503,176</b>	<b>493,858</b>	<b>484,499</b>	<b>4,851,970</b>
<b>Total Revenue Requirements</b>	<b>1,657,742</b>	<b>1,659,208</b>	<b>1,627,308</b>	<b>1,960,158</b>	<b>1,776,532</b>	<b>1,838,930</b>	<b>1,825,090</b>	<b>1,948,615</b>	<b>1,954,270</b>	<b>1,948,812</b>	<b>1,936,390</b>	<b>1,923,180</b>	<b>22,056,241</b>
<b>SD Jurisdictional Revenue Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,104</b>	<b>84,458</b>	<b>84,703</b>	<b>84,466</b>	<b>83,928</b>	<b>83,356</b>	<b>500,014</b>

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>825 Wind Main</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	4,841,095	4,841,095	4,858,123	4,856,915	4,856,915	4,841,095	4,841,095	4,841,095	4,841,095	6,738,545	6,738,545	6,738,545	6,738,545
Plus Plant In-Service	210,325,324	210,367,861	210,377,835	210,378,585	210,387,677	209,804,235	210,441,942	210,447,904	210,450,812	208,553,653	208,553,187	208,553,304	208,553,304
Less Book Depreciation Reserve	4,038,056	4,396,094	4,754,167	5,112,266	5,470,388	5,828,004	6,185,668	6,543,898	6,902,135	7,264,785	7,631,857	7,998,925	7,998,925
Less Accum Deferred Taxes	5,836,105	6,296,461	6,756,863	7,217,295	7,677,765	8,137,564	8,597,428	9,058,034	9,518,652	9,984,857	10,456,641	10,928,420	10,928,420
End Of Month Rate Base	205,292,261	204,516,404	203,724,931	202,905,935	202,096,441	200,679,785	200,499,951	199,687,071	198,871,121	198,042,556	197,203,236	196,364,502	196,364,502
Average Rate Base (BOM/EOM)	205,664,225	204,904,335	204,120,668	203,315,435	202,501,191	201,388,116	200,589,876	200,093,511	199,279,097	198,456,840	197,622,897	196,783,870	201,226,671
<b>Calculation of Return</b>													
Plus Debt Return	529,585	527,629	525,611	523,537	521,441	518,574	516,519	515,241	513,144	511,026	508,879	506,718	6,217,904
Plus Equity Return	906,636	903,287	899,832	896,282	892,693	887,786	884,267	882,079	878,489	874,864	871,188	867,489	10,644,891
<b>Total Return</b>	<b>1,436,221</b>	<b>1,430,916</b>	<b>1,425,443</b>	<b>1,419,819</b>	<b>1,414,134</b>	<b>1,406,360</b>	<b>1,400,786</b>	<b>1,397,320</b>	<b>1,391,633</b>	<b>1,385,890</b>	<b>1,380,067</b>	<b>1,374,207</b>	<b>16,862,795</b>
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	253,002	253,002	253,002	253,002	253,002	253,002	253,002	253,002	253,002	253,002	253,002	253,002	3,036,025
Plus Book Depreciation	357,948	358,038	358,073	358,099	358,122	357,616	357,663	358,230	358,238	362,654	367,068	367,068	4,318,817
Plus Deferred Taxes	460,239	460,357	460,402	460,436	460,466	459,799	459,862	460,609	460,619	466,203	471,784	471,785	5,552,560
Plus Gross Up for Income Tax	135,961	134,067	132,172	130,234	128,278	126,146	124,205	122,454	120,513	114,291	108,043	106,051	1,482,418
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	620,160	618,491	616,732	614,924	613,114	610,488	608,737	607,806	605,989	603,401	600,787	598,913	7,319,542
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	<b>586,990</b>	<b>586,973</b>	<b>586,917</b>	<b>586,847</b>	<b>586,755</b>	<b>586,077</b>	<b>585,995</b>	<b>586,489</b>	<b>586,383</b>	<b>592,749</b>	<b>599,110</b>	<b>598,993</b>	<b>7,070,277</b>
<b>Total Revenue Requirements</b>	<b>2,023,212</b>	<b>2,017,888</b>	<b>2,012,355</b>	<b>2,006,667</b>	<b>2,000,886</b>	<b>1,992,437</b>	<b>1,986,781</b>	<b>1,983,805</b>	<b>1,978,015</b>	<b>1,978,635</b>	<b>1,979,177</b>	<b>1,973,200</b>	<b>23,933,072</b>
<b>SD Jurisdictional Revenue Requirement</b>	<b>90,338</b>	<b>90,100</b>	<b>89,854</b>	<b>89,599</b>	<b>89,341</b>	<b>88,964</b>	<b>88,711</b>	<b>88,579</b>	<b>88,320</b>	<b>88,348</b>	<b>88,372</b>	<b>88,105</b>	<b>2,068,634</b>

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>825 Wind Main</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	508		
Plus Plant In Service	215,134,708		
Less Book Depreciation Reserve	8,365,992		
Less Accum Deferred Taxes	11,328,262		
End Of Month Rate Base	195,440,960		
Average Rate Base (BOM/EOM)	195,902,733		
<b>Calculation of Return</b>			
Plus Debt Return	496,287		
Plus Equity Return	861,972		
<b>Total Return</b>	<b>1,358,259</b>		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	250,959		
Plus Book Depreciation	367,068		
Plus Deferred Taxes	399,838		
Plus Gross Up for Income Tax	159,017		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	508,521		
Less Wind Production Tax Credit	0		
Less Wind PTC Gross up for Income Tax (Fed only)	0		
<b>Total Income Statement Expense</b>	<b>668,361</b>		
<b>Total Revenue Requirements</b>	<b>2,026,620</b>		
SD Jurisdictional Revenue Requirement	94,815	*17/31 =	0.54839 <b>51,096</b> (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>Yankee Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	6,082,225	6,093,967	6,677,928	6,091,294	6,091,607	6,095,091	6,165,484	6,161,440	6,162,245	6,162,184	6,162,342	6,162,345	6,162,345
Less Book Depreciation Reserve	29,169	41,820	55,090	68,357	81,015	93,677	106,416	119,223	132,028	144,833	157,638	170,443	170,443
Less Accum Deferred Taxes	62,090	76,926	92,488	108,047	122,891	137,740	166,414	181,434	196,450	211,467	226,484	241,501	241,501
End Of Month Rate Base	5,990,967	5,975,221	6,530,350	5,914,890	5,887,701	5,863,674	5,892,655	5,860,782	5,833,765	5,805,884	5,778,222	5,750,401	5,750,401
Average Rate Base (BOM/EOM)	5,988,011	5,983,094	6,252,788	6,222,620	5,901,295	5,875,687	5,878,164	5,876,715	5,847,275	5,819,820	5,792,052	5,764,311	5,933,487
<b>Calculation of Return</b>													
Plus Debt Return	16,118	16,104	16,830	16,749	15,884	15,815	15,822	15,818	15,739	15,665	15,590	15,516	191,652
Plus Equity Return	25,649	25,628	26,783	26,654	25,277	25,168	25,178	25,172	25,046	24,928	24,809	24,690	304,981
<b>Total Return</b>	41,766	41,732	43,613	43,403	41,162	40,983	41,000	40,990	40,785	40,593	40,400	40,206	496,633
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	8,166	8,166	8,166	8,166	8,166	8,166	8,166	8,166	8,166	8,166	8,166	8,166	97,993
Plus Book Depreciation	12,604	12,651	13,270	13,267	12,658	12,662	12,739	12,808	12,804	12,805	12,805	12,805	153,879
Plus Deferred Taxes	14,781	14,836	15,562	15,559	14,844	14,849	28,674	15,020	15,016	15,017	15,017	15,017	194,192
Plus Gross Up for Income Tax	2,302	2,248	2,305	2,238	2,053	1,990	(8,771)	1,860	1,795	1,731	1,667	1,603	13,021
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OAIT Credit to retail customers	0	0	0	0	0	0	20,485	19,742	19,673	19,609	19,545	19,480	118,535
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	37,854	37,901	39,303	39,230	37,722	37,668	20,323	18,111	18,108	18,110	18,110	18,111	340,550
<b>Total Revenue Requirement</b>	79,620	79,634	82,916	82,633	78,883	78,650	61,323	59,101	58,893	58,703	58,510	58,317	837,163
<b>SD Jurisdictional Revenue Requirement</b>	0	0	0	0	0	0	2,658	2,562	2,553	2,544	2,536	2,528	15,380

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>Yankee Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	6,162,350	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991	6,162,991
Less Book Depreciation Reserve	183,248	196,055	208,861	221,668	234,475	247,281	260,088	272,895	285,701	298,508	311,315	324,121	324,121
Less Accum Deferred Taxes	254,650	267,800	280,951	294,101	307,252	320,402	333,553	346,704	359,854	373,005	386,155	399,306	399,306
End Of Month Rate Base	5,724,451	5,699,137	5,673,188	5,647,227	5,621,265	5,595,304	5,569,343	5,543,382	5,517,421	5,491,460	5,465,500	5,439,540	5,439,540
Average Rate Base (BOM/EOM)	5,737,426	5,711,794	5,686,158	5,660,201	5,634,244	5,608,286	5,582,328	5,556,372	5,530,414	5,504,457	5,478,500	5,452,542	5,594,227
<b>Calculation of Return</b>													
Plus Debt Return	14,774	14,708	14,642	14,575	14,508	14,441	14,374	14,308	14,241	14,174	14,107	14,040	172,893
Plus Equity Return	25,292	25,179	25,066	24,952	24,838	24,723	24,609	24,494	24,380	24,265	24,151	24,037	295,988
<b>Total Return</b>	40,066	39,887	39,708	39,527	39,346	39,165	38,983	38,802	38,621	38,439	38,258	38,077	468,881
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	88,984
Plus Book Depreciation	12,805	12,806	12,807	12,807	12,807	12,807	12,807	12,807	12,807	12,807	12,807	12,807	153,678
Plus Deferred Taxes	13,149	13,150	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151	13,151	157,805
Plus Gross Up for Income Tax	3,377	3,315	3,254	3,192	3,131	3,069	3,007	2,946	2,884	2,822	2,761	2,699	36,467
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	18,335	18,278	18,221	18,163	18,105	18,047	17,989	17,931	17,873	17,815	17,757	17,699	216,216
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	18,411	18,408	18,405	18,402	18,398	18,394	18,391	18,387	18,383	18,380	18,376	18,373	220,709
<b>Total Revenue Requirements</b>	58,478	58,296	58,114	57,929	57,744	57,559	57,374	57,189	57,004	56,819	56,634	56,449	689,589
<b>SD Jurisdictional Revenue Requirement</b>	2,611	2,603	2,595	2,587	2,578	2,570	2,562	2,554	2,545	2,537	2,529	2,521	30,791

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>Yankee Collector</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	0		
Plus Plant In-Service	6,162,991		
Less Book Depreciation Reserve	336,926		
Less Accum Deferred Taxes	410,627		
End Of Month Rate Base	5,415,436		
Average Rate Base (BOM/EOM)	5,427,500		
<b>Calculation of Return</b>			
Plus Debt Return	13,750		
Plus Equity Return	23,881		
Total Return	37,631		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	7,416		
Plus Book Depreciation	12,807		
Plus Deferred Taxes	11,321		
Plus Gross Up for Income Tax	4,037		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	14,869		
Less Wind Production Tax Credit	0		
Less Wind PTC Gross up for Income Tax (Fed only)	0		
Total Income Statement Expense	20,712		
Total Revenue Requirements	58,343		
SD Jurisdictional Revenue Requirement	2,730	*17/31 =	0.54839 <span style="border: 1px solid black; padding: 2px;">1,497</span> (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>Fenton Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plus Plant In-Service	8,194,358	8,196,275	8,407,140	8,422,647	8,422,878	8,425,870	8,427,815	8,428,220	8,428,220	8,428,220	8,428,492	8,430,498	8,430,498
Less Book Depreciation Reserve	43,504	60,534	77,785	95,271	112,774	130,280	147,791	165,304	182,818	200,332	217,846	235,362	235,362
Less Accum. Deferred Taxes	115,951	135,763	155,832	176,175	196,536	218,902	237,274	257,645	278,023	298,398	318,773	339,151	339,151
End Of Month Rate Base	8,034,902	7,999,978	8,173,522	8,151,201	8,113,568	8,078,688	8,042,750	8,005,267	7,967,375	7,929,490	7,891,872	7,855,984	7,855,984
Average Rate Base (BOM/EOM)	8,035,464	8,017,440	8,086,750	8,162,362	8,132,584	8,096,128	8,060,715	8,024,005	7,986,322	7,948,434	7,910,681	7,873,928	8,027,885
<b>Calculation of Return</b>													
Plus Debt Return	21,629	21,580	21,767	21,970	21,890	21,792	21,697	21,598	21,497	21,395	21,293	21,194	259,301
Plus Equity Return	34,419	34,341	34,638	34,962	34,834	34,678	34,527	34,370	34,208	34,046	33,884	33,727	412,633
<b>Total Return</b>	56,047	55,922	56,405	56,932	56,723	56,470	56,224	55,967	55,705	55,440	55,177	54,921	671,934
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	11,014	11,014	11,014	11,014	11,014	11,014	11,014	11,014	11,014	11,014	11,014	11,014	132,171
Plus Book Depreciation	16,991	17,030	17,251	17,496	17,503	17,506	17,511	17,513	17,514	17,514	17,514	17,514	208,849
Plus Deferred Taxes	19,766	19,812	20,069	20,343	20,362	20,366	20,372	20,374	20,375	20,375	20,375	20,378	242,967
Plus Gross Up for Income Tax	3,138	3,061	3,020	2,981	2,897	2,811	2,725	2,638	2,550	2,463	2,376	2,289	32,948
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	27,004	26,920	26,832	26,744	26,657	26,572	160,729
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	50,909	50,917	51,354	51,825	51,776	51,697	24,617	24,620	24,621	24,622	24,623	24,626	456,205
<b>Total Revenue Requirements</b>	106,957	106,838	107,760	108,757	108,499	108,167	80,841	80,587	80,326	80,062	79,800	79,546	1,128,135
<b>SD Jurisdictional Revenue Requirement</b>	0	0	0	0	0	0	3,504	3,493	3,482	3,470	3,459	3,448	20,855

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>Fenton Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plus Plant In-Service	8,430,496	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670	8,430,670
Less Book Depreciation Reserve	252,881	270,400	287,919	305,438	322,957	340,476	357,994	375,513	393,032	410,551	428,070	445,589	445,589
Less Accum Deferred Taxes	357,073	374,995	392,917	410,839	428,761	446,683	464,605	482,527	500,449	518,371	536,293	554,215	554,215
End Of Month Rate Base	7,820,544	7,785,275	7,749,835	7,714,394	7,678,953	7,643,512	7,608,071	7,572,630	7,537,189	7,501,748	7,466,307	7,430,866	7,430,866
Average Rate Base (BOM/EOM)	7,838,264	7,802,910	7,767,556	7,732,114	7,696,673	7,661,232	7,625,791	7,590,350	7,554,909	7,519,468	7,484,027	7,448,586	7,643,490
<b>Calculation of Return</b>													
Plus Debt Return	20,184	20,092	20,001	19,910	19,819	19,728	19,636	19,545	19,454	19,363	19,271	19,180	236,184
Plus Equity Return	34,554	34,398	34,242	34,086	33,930	33,773	33,617	33,461	33,305	33,148	32,992	32,836	404,341
Total Return	54,737	54,490	54,243	53,996	53,748	53,501	53,253	53,006	52,758	52,511	52,263	52,016	640,524
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	10,145	10,145	10,145	10,145	10,145	10,145	10,145	10,145	10,145	10,145	10,145	10,145	121,736
Plus Book Depreciation	17,519	17,519	17,519	17,519	17,519	17,519	17,519	17,519	17,519	17,519	17,519	17,519	210,227
Plus Deferred Taxes	17,922	17,922	17,922	17,922	17,922	17,922	17,922	17,922	17,922	17,922	17,922	17,922	215,064
Plus Gross Up for Income Tax	4,640	4,556	4,472	4,388	4,304	4,220	4,136	4,051	3,967	3,883	3,799	3,715	50,131
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	25,054	24,976	24,897	24,818	24,738	24,659	24,580	24,501	24,422	24,343	24,263	24,184	295,435
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	25,171	25,166	25,161	25,156	25,151	25,146	25,141	25,136	25,131	25,126	25,121	25,116	301,723
<b>Total Revenue Requirements</b>													
SD Jurisdictional Revenue Requirement	79,908	79,656	79,404	79,152	78,900	78,647	78,395	78,142	77,890	77,637	77,385	77,132	942,247
	3,568	3,557	3,545	3,534	3,523	3,512	3,500	3,489	3,478	3,467	3,455	3,444	42,072

Transmission Cost Recovery Rider  
 TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>Fenton Collector</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	(0)		
Plus Plant In-Service	8,430,670		
Less Book Depreciation Reserve	463,108		
Less Accum Deferred Taxes	569,640		
End Of Month Rate Base	7,397,922		
Average Rate Base (BOM/EOM)	7,414,394		
<b>Calculation of Return</b>			
Plus Debt Return	18,783		
Plus Equity Return	32,623		
Total Return	51,406		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	10,145		
Plus Book Depreciation	17,519		
Plus Deferred Taxes	15,425		
Plus Gross Up for Income Tax	5,542		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	20,317		
Less Wind Production Tax Credit	0		
Less Wind PTC Gross up for Income Tax (Fed only)	0		
Total Income Statement Expense	28,313		
Total Revenue Requirements	79,719		
SD Jurisdictional Revenue Requirement	3,730	*17/31 = 0.54839	2,045 (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>Series Capacitor</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	(27,014)	(27,013)	(27,014)	(40,424)	(40,424)	(40,424)	(40,424)	(40,424)	(40,424)	(40,424)	(36,877)	(36,877)	(36,877)
Plus Plant In-Service	8,073,097	8,086,496	8,099,008	8,134,280	8,144,118	8,146,742	8,147,131	8,147,175	8,147,413	8,148,202	8,148,202	8,148,482	8,148,482
Less Book Depreciation Reserve	43,565	60,264	76,989	93,764	110,585	127,420	144,257	161,095	177,934	194,773	211,613	228,454	228,454
Less Accum Deferred Taxes	126,661	145,756	164,881	184,062	203,296	222,545	241,798	261,050	280,304	299,558	318,814	338,069	338,069
End Of Month Rate Base	7,876,757	7,853,462	7,830,122	7,816,030	7,789,805	7,756,354	7,720,651	7,684,605	7,648,752	7,613,446	7,580,895	7,545,082	7,545,082
Average Rate Base (BOM/EOM)	7,888,530	7,865,110	7,841,794	7,823,077	7,802,920	7,773,081	7,738,502	7,702,628	7,666,678	7,631,095	7,597,172	7,562,991	7,741,132
<b>Calculation of Return</b>													
Plus Debt Return	21,253	21,170	21,107	21,057	21,003	20,923	20,829	20,733	20,636	20,540	20,449	20,357	250,039
Plus Equity Return	33,789	33,689	33,589	33,509	33,423	33,295	33,147	32,993	32,839	32,687	32,541	32,395	397,894
<b>Total Return</b>	55,022	54,859	54,697	54,566	54,425	54,217	53,976	53,726	53,475	53,227	52,990	52,752	647,933
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	10,829	129,945
Plus Book Depreciation	16,631	16,699	16,725	16,775	16,822	16,834	16,838	16,838	16,838	16,839	16,840	16,841	201,520
Plus Deferred Taxes	19,073	19,096	19,125	19,181	19,234	19,249	19,252	19,253	19,253	19,254	19,255	19,256	230,481
Plus Gross Up for Income Tax	3,591	3,449	3,372	3,286	3,198	3,118	3,036	2,953	2,870	2,787	2,708	2,628	36,994
Less AFUDC	51	1	(1)	0	0	0	0	0	0	0	0	0	51
Less AFUDC Gross Up for Income Tax	27	0	(0)	0	0	0	0	0	0	0	0	0	27
Less OATT Credit to retail customers	0	0	0	0	0	0	26,118	26,035	25,951	25,869	25,786	25,703	155,463
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	50,045	50,071	50,052	50,070	50,083	50,030	23,836	23,837	23,838	23,840	23,845	23,850	443,399
<b>Total Revenue Requirements</b>	105,068	104,930	104,748	104,636	104,508	104,246	77,812	77,563	77,313	77,067	76,836	76,602	1,091,332
<b>SD Jurisdictional Revenue Requirement</b>	0	0	0	0	0	0	3,373	3,362	3,351	3,340	3,330	3,320	20,076

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>Series Capacitor</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	(35,189)	(31,855)	(31,855)	(31,855)	(31,855)	(31,855)	(31,855)	(31,855)	(31,855)	(50)	(2)	(2)	(2)
Plus Plant In-Service	8,149,176	8,150,102	8,150,104	8,150,106	8,150,288	8,144,588	8,150,245	8,150,250	8,150,250	8,118,446	8,118,446	8,118,446	8,118,446
Less Book Depreciation Reserve	245,295	262,138	278,983	295,827	312,671	329,510	346,348	363,193	380,037	396,849	413,627	430,406	430,406
Less Accum Deferred Taxes	354,837	371,606	388,376	405,146	421,916	438,681	455,445	472,216	488,986	505,724	522,429	539,134	539,134
End Of Month Rate Base	7,513,855	7,484,502	7,450,891	7,417,280	7,383,846	7,344,542	7,316,600	7,282,987	7,249,372	7,215,822	7,182,387	7,148,904	7,148,904
Average Rate Base (BOM/EOM)	7,529,465	7,499,175	7,467,697	7,434,085	7,400,563	7,364,195	7,330,572	7,299,792	7,266,175	7,232,597	7,199,105	7,165,646	7,349,090
<b>Calculation of Return</b>													
Plus Debt Return	19,388	19,310	19,229	19,143	19,056	18,963	18,876	18,797	18,710	18,624	18,538	18,452	227,087
Plus Equity Return	33,192	33,059	32,920	32,772	32,624	32,464	32,316	32,180	32,032	31,884	31,736	31,589	388,767
<b>Total Return</b>	52,581	52,369	52,149	51,915	51,681	51,427	51,192	50,977	50,742	50,508	50,274	50,040	615,854
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	117,664
Plus Book Depreciation	16,842	16,843	16,844	16,844	16,844	16,839	16,839	16,844	16,844	16,811	16,778	16,778	201,952
Plus Deferred Taxes	16,767	16,769	16,770	16,770	16,770	16,765	16,765	16,770	16,770	16,738	16,705	16,705	201,065
Plus Gross Up for Income Tax	4,989	4,916	4,841	4,761	4,681	4,599	4,519	4,442	4,362	4,307	4,253	4,174	54,846
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	24,185	24,113	24,039	23,964	23,889	23,806	23,731	23,664	23,589	23,469	23,349	23,274	285,072
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	24,218	24,221	24,221	24,217	24,212	24,202	24,197	24,198	24,193	24,193	24,193	24,189	290,455
<b>Total Revenue Requirements</b>	76,799	76,590	76,371	76,131	75,893	75,628	75,389	75,175	74,936	74,701	74,467	74,229	906,309
<b>SD Jurisdictional Revenue Requirement</b>	3,429	3,420	3,410	3,399	3,389	3,377	3,366	3,357	3,346	3,335	3,325	3,314	40,467

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>Series Capacitor</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	(2)		
Plus Plant In-Service	8,118,446		
Less Book Depreciation Reserve	447,164		
Less Accum Deferred Taxes	553,588		
End Of Month Rate Base	7,117,671		
Average Rate Base (BOM/EOM)	7,133,288		
<b>Calculation of Return</b>			
Plus Debt Return	18,071		
Plus Equity Return	31,386		
<b>Total Return</b>	<b>49,457</b>		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	9,769		
Plus Book Depreciation	16,778		
Plus Deferred Taxes	14,454		
Plus Gross Up for Income Tax	5,814		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	19,553		
Less Wind Production Tax Credit	0		
Less Wind PTC Gross up for Income Tax (Fed only)	0		
<b>Total Income Statement Expense</b>	<b>27,263</b>		
<b>Total Revenue Requirements</b>	<b>76,720</b>		
SD Jurisdictional Revenue Requirement	3,589	*17/31 =	0.54839 <b>1,968</b> (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>Nobles Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	3,063,766	3,084,250	3,120,635	195,626	195,626	195,626	195,626	195,626	195,626	195,626	195,626	195,626	195,626
Plus Plant In-Service	0	0	0	2,935,742	2,935,742	2,935,742	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064
Less Book Depreciation Reserve	0	0	0	3,050	9,151	15,251	21,352	27,453	33,554	39,655	45,757	51,858	51,858
Less Accum Deferred Taxes	(20,550)	(23,537)	(25,559)	(24,080)	(19,068)	(14,057)	(9,046)	(4,034)	978	5,990	11,002	16,013	16,013
End Of Month Rate Base	3,084,317	3,107,837	3,146,195	3,152,395	3,141,287	3,130,175	3,119,382	3,108,270	3,097,156	3,086,045	3,074,932	3,063,815	3,063,815
Average Rate Base (BOM/EOM)	3,072,864	3,096,077	3,127,018	3,149,295	3,146,843	3,135,731	3,124,775	3,113,827	3,102,714	3,091,601	3,080,488	3,069,375	3,109,216
<b>Calculation of Return</b>													
Plus Debt Return	8,271	8,334	8,417	8,477	8,470	8,440	8,411	8,381	8,351	8,322	8,292	8,262	100,428
Plus Equity Return	13,162	13,262	13,394	13,489	13,479	13,431	13,384	13,338	13,290	13,242	13,195	13,147	159,814
Total Return	21,433	21,595	21,811	21,966	21,949	21,872	21,795	21,719	21,641	21,564	21,486	21,409	260,242
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	3,050	6,100	6,100	6,101	6,101	6,101	6,101	6,101	6,101	51,858
Plus Deferred Taxes	(3,097)	(3,037)	(1,973)	1,480	5,011	5,011	5,012	5,012	5,012	5,012	5,012	5,012	33,466
Plus Gross Up for Income Tax	13,999	14,130	13,186	8,455	3,473	3,447	3,422	3,396	3,371	3,345	3,319	3,294	76,837
Less AFUDC	19,810	20,483	22,129	10,730	0	0	0	0	0	0	0	0	73,152
Less AFUDC Gross Up for Income Tax	10,667	11,029	11,915	5,778	0	0	0	0	0	0	0	0	39,389
Less OATT Credit to retail customers	0	0	0	0	0	0	8,642	8,617	8,591	8,565	8,539	8,514	51,468
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	(19,575)	(20,419)	(22,331)	(3,523)	14,585	14,559	5,892	5,892	5,893	5,893	5,893	5,893	(1,849)
Total Revenue Requirements	1,858	1,177	(1,020)	18,444	36,534	36,431	27,687	27,611	27,534	27,457	27,379	27,302	258,393
SD Jurisdictional Revenue Requirement	0	0	0	0	0	0	1,200	1,197	1,193	1,190	1,187	1,183	7,150

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>Nobles Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	195,626	195,626	195,626	195,626	195,626	195,626	195,626	195,626	195,626	0	0	0	0
Plus Plant In-Service	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	2,936,064	3,131,690	3,131,770	3,131,770	3,131,770
Less Book Depreciation Reserve	57,959	64,060	70,161	76,262	82,363	88,465	94,566	100,667	106,768	113,072	119,580	126,088	126,088
Less Accum Deferred Taxes	23,451	30,888	38,325	45,763	53,200	60,637	68,075	75,512	82,949	90,634	98,567	106,500	106,500
End Of Month Rate Base	3,050,280	3,036,742	3,023,205	3,009,665	2,996,126	2,982,586	2,969,046	2,955,511	2,941,972	2,927,982	2,913,623	2,899,182	2,899,182
Average Rate Base (BOM/EOM)	3,057,050	3,043,511	3,029,972	3,016,434	3,002,895	2,989,357	2,975,815	2,962,280	2,948,742	2,934,978	2,920,802	2,906,402	2,982,354
<b>Calculation of Return</b>													
Plus Debt Return	7,872	7,837	7,802	7,767	7,732	7,698	7,663	7,628	7,593	7,558	7,521	7,484	92,155
Plus Equity Return	13,476	13,417	13,357	13,297	13,238	13,178	13,118	13,059	12,999	12,938	12,876	12,812	157,767
<b>Total Return</b>	21,348	21,254	21,159	21,065	20,970	20,876	20,781	20,687	20,592	20,496	20,397	20,296	249,921
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	42,397
Plus Book Depreciation	6,101	6,101	6,101	6,101	6,101	6,101	6,101	6,101	6,101	6,304	6,508	6,508	74,230
Plus Deferred Taxes	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,685	7,933	7,933	90,487
Plus Gross Up for Income Tax	1,579	1,547	1,515	1,483	1,450	1,418	1,386	1,354	1,322	1,100	877	843	15,875
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	9,111	9,081	9,050	9,020	8,990	8,960	8,929	8,899	8,869	9,119	9,368	9,336	108,733
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	9,540	9,538	9,536	9,534	9,532	9,530	9,528	9,526	9,525	9,504	9,483	9,481	114,256
<b>Total Revenue Requirements</b>	30,888	30,792	30,695	30,599	30,502	30,406	30,309	30,213	30,117	29,999	29,879	29,777	364,177
SD Jurisdictional Revenue Requirement	1,379	1,375	1,371	1,366	1,362	1,358	1,353	1,349	1,345	1,340	1,334	1,330	16,261

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>Nobles Collector</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	0		
Plus Plant In-Service	3,131,770		
Less Book Depreciation Reserve	132,596		
Less Accum Deferred Taxes	112,915		
End Of Month Rate Base	2,886,260		
Average Rate Base (BOM/EOM)	2,892,721		
<b>Calculation of Return</b>			
Plus Debt Return	7,328		
Plus Equity Return	12,728		
Total Return	20,056		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	3,769		
Plus Book Depreciation	6,508		
Plus Deferred Taxes	6,415		
Plus Gross Up for Income Tax	1,979		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	7,865		
Less Wind Production Tax Credit	0		
Less Wind FTC Gross up for Income Tax (Fed only)	0		
Total Income Statement Expense	10,804		
Total Revenue Requirements	30,861		
SD Jurisdictional Revenue Requirement	1,444	*17/31 =	0.54839 <b>792</b> (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
<b>Rock City Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	2,538,797	2,926,057	3,244,515	3,265,675	3,281,142	3,304,247	3,305,990	3,307,105	3,320,785	3,332,785	3,334,845	3,336,802	3,336,802
Less Book Depreciation Reserve	2,731	8,341	14,630	21,272	27,951	34,671	41,417	48,165	54,929	61,719	68,523	75,331	75,331
Less Accum Deferred Taxes	(12,929)	(10,572)	(7,439)	(4,039)	(630)	2,818	6,269	9,721	13,180	16,653	20,134	23,617	23,617
End Of Month Rate Base	2,548,995	2,928,285	3,237,325	3,248,445	3,253,811	3,266,757	3,258,304	3,249,222	3,252,676	3,254,417	3,246,191	3,237,855	3,237,855
Average Rate Base (BOM/EOM)	1,304,785	2,738,642	3,082,805	3,242,887	3,251,125	3,260,284	3,262,531	3,253,762	3,250,945	3,253,546	3,250,304	3,242,022	3,032,805
<b>Calculation of Return</b>													
Plus Debt Return	3,512	7,372	8,298	8,729	8,751	8,776	8,782	8,758	8,750	8,757	8,749	8,726	97,960
Plus Equity Return	5,589	11,731	13,205	13,890	13,926	13,965	13,975	13,937	13,925	13,936	13,922	13,887	155,886
<b>Total Return</b>	9,101	19,102	21,503	22,619	22,677	22,740	22,756	22,695	22,675	22,693	22,671	22,613	253,846
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	65	65	65	65	65	65	65	65	65	65	65	65	780
Plus Book Depreciation	2,673	5,609	6,289	6,642	6,680	6,720	6,746	6,749	6,764	6,790	6,804	6,808	75,273
Plus Deferred Taxes	(406)	2,358	3,132	3,401	3,419	3,438	3,450	3,452	3,459	3,473	3,481	3,483	36,141
Plus Gross Up for Income Tax	5,860	5,229	4,949	4,898	4,903	4,910	4,905	4,884	4,872	4,868	4,854	4,833	59,965
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	9,496	9,476	9,474	9,487	9,484	9,466	56,883
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	8,192	13,261	14,435	15,005	15,067	15,133	15,671	15,673	15,686	15,708	15,720	15,724	115,275
<b>Total Revenue Requirements</b>	17,293	32,363	35,938	37,624	37,743	37,873	38,427	38,368	38,362	38,402	38,391	38,337	369,121
<b>SD Jurisdictional Revenue Requirement</b>	0	0	0	0	0	0	1,232	1,230	1,229	1,231	1,231	1,228	7,381

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual
<b>Rock Cty. Collector</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	3,336,972	3,336,908	3,336,908	3,336,908	3,336,908	3,336,908	3,336,908	3,336,908	3,336,908	3,336,787	3,336,787	3,336,787	3,336,787
Less Book Depreciation Reserve	82,141	88,951	95,761	102,572	109,382	116,192	123,002	129,812	136,623	143,433	150,242	157,052	157,052
Less Accum Deferred Taxes	31,588	39,559	47,529	55,500	63,471	71,442	79,412	87,383	95,354	103,324	111,295	119,265	119,265
End Of Month Rate Base	3,223,243	3,208,398	3,193,617	3,178,836	3,164,055	3,149,274	3,134,492	3,119,711	3,104,931	3,090,030	3,075,250	3,060,469	3,060,469
Average Rate Base (BOM/EOM)	3,230,545	3,215,820	3,201,005	3,186,227	3,171,446	3,156,665	3,141,884	3,127,103	3,112,322	3,097,481	3,082,640	3,067,855	3,149,250
<b>Calculation of Return</b>													
Plus Debt Return	8,319	8,281	8,243	8,205	8,166	8,128	8,090	8,052	8,014	7,976	7,938	7,900	97,312
Plus Equity Return	14,241	14,176	14,111	14,046	13,981	13,916	13,850	13,785	13,720	13,655	13,589	13,524	166,595
<b>Total Return</b>	22,560	22,457	22,354	22,250	22,147	22,044	21,941	21,838	21,734	21,631	21,527	21,424	263,907
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	48,183
Plus Book Depreciation	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	81,721
Plus Deferred Taxes	7,971	7,971	7,971	7,971	7,971	7,971	7,971	7,971	7,971	7,971	7,970	7,970	95,648
Plus Gross Up for Income Tax	1,526	1,491	1,456	1,421	1,386	1,351	1,315	1,280	1,245	1,210	1,175	1,140	15,996
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	10,236	10,203	10,170	10,137	10,104	10,071	10,038	10,005	9,972	9,939	9,906	9,873	120,652
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	10,086	10,084	10,082	10,080	10,078	10,076	10,074	10,072	10,070	10,067	10,065	10,063	120,897
<b>Total Revenue Requirements</b>	32,646	32,541	32,436	32,330	32,225	32,120	32,015	31,909	31,804	31,698	31,592	31,487	384,804
<b>SD Jurisdictional Revenue Requirements</b>	1,458	1,453	1,448	1,444	1,439	1,434	1,429	1,425	1,420	1,415	1,411	1,406	17,182

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2008-2010

	Jan-10	Factor	Annual
<b>Rock City Collector</b>			
<b>Rate Base</b>			
Plus CWIP Ending Balance	0		
Plus Plant In-Service	3,336,787		
Less Book Depreciation Reserve	163,862		
Less Accum Deferred Taxes	126,165		
End Of Month Rate Base	3,046,760		
Average Rate Base (BOM/EOM)	3,053,615		
<b>Calculation of Return</b>			
Plus Debt Return	7,736		
Plus Equity Return	13,436		
<b>Total Return</b>	<b>21,172</b>		
<b>Income Statement Items</b>			
Plus Operating Expense	0		
Plus Accrued Costs / Benefits	0		
Plus Avoided Property Taxes	0		
Plus Property Taxes	4,015		
Plus Book Depreciation	6,810		
Plus Deferred Taxes	6,899		
Plus Gross Up for Income Tax	1,925		
Less AFUDC	0		
Less AFUDC Gross Up for Income Tax	0		
Less OATT Credit to retail customers	8,291		
Less Wind Production Tax Credit	0		
Less Wind PTC Gross up for Income Tax (Fed only)	0		
<b>Total Income Statement Expense</b>	<b>11,359</b>		
<b>Total Revenue Requirements</b>	<b>32,530</b>		
SD Jurisdictional Revenue Requirement	1,522	*17/31 =	0.54839 <b>835</b> (1)

(1) Note that the Total SD Jurisdictional revenue requirement for January 2010 was reduced to reflect the implementation of final SD rates in Docket No. EL09-009 on January 18, 2010.

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2011

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>BRIGO</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485	68,700,485
Less Book Depreciation Reserve	2,244,212	2,393,352	2,542,492	2,691,634	2,840,774	2,989,914	3,139,054	3,288,194	3,437,334	3,586,474	3,735,612	3,884,752	3,884,752
Less Accum Deferred Taxes	14,183,087	14,221,555	14,260,017	14,298,483	14,336,946	14,375,412	14,413,875	14,452,334	14,490,800	14,529,275	14,567,740	14,606,205	14,606,205
End Of Month Rate Base	52,273,185	52,085,584	51,897,971	51,710,372	51,522,767	51,335,162	51,147,556	50,959,951	50,772,346	50,584,740	50,397,135	50,209,529	50,209,529
Average Rate Base (BOM/EOM)	52,366,992	52,179,387	51,991,781	51,804,176	51,616,570	51,428,965	51,241,359	51,053,754	50,866,148	50,678,542	50,490,937	50,303,332	51,335,162
<b>Calculation of Return</b>													
Plus Debt Return	134,845	134,362	133,879	133,396	132,913	132,430	131,946	131,463	130,980	130,497	130,014	129,531	1,586,257
Plus Equity Return	230,851	230,024	229,197	228,370	227,543	226,716	225,889	225,062	224,235	223,408	222,581	221,754	2,715,630
<b>Total Return</b>	<b>365,696</b>	<b>364,386</b>	<b>363,076</b>	<b>361,766</b>	<b>360,456</b>	<b>359,146</b>	<b>357,835</b>	<b>356,525</b>	<b>355,215</b>	<b>353,905</b>	<b>352,595</b>	<b>351,285</b>	<b>4,301,887</b>
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	79,349	79,349	79,349	79,349	79,349	79,349	79,349	79,349	79,349	79,349	79,349	79,349	952,189
Plus Book Depreciation	149,140	149,140	149,140	149,140	149,140	149,140	149,140	149,140	149,140	149,140	149,140	149,140	1,789,682
Plus Deferred Taxes	38,465	38,465	38,465	38,465	38,465	38,465	38,465	38,465	38,465	38,465	38,465	38,465	461,584
Plus Gross Up for Income Tax	97,043	96,598	96,152	95,707	95,262	94,816	94,371	93,926	93,480	93,035	92,590	92,144	1,135,122
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	157,176	156,798	156,420	156,042	155,664	155,285	154,907	154,529	154,151	153,773	153,395	153,017	1,861,156
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	<b>206,821</b>	<b>206,754</b>	<b>206,687</b>	<b>206,620</b>	<b>206,553</b>	<b>206,485</b>	<b>206,418</b>	<b>206,351</b>	<b>206,284</b>	<b>206,217</b>	<b>206,149</b>	<b>206,082</b>	<b>2,477,422</b>
<b>Total Revenue Requirements</b>	<b>572,518</b>	<b>571,140</b>	<b>569,763</b>	<b>568,386</b>	<b>567,008</b>	<b>565,631</b>	<b>564,254</b>	<b>562,876</b>	<b>561,499</b>	<b>560,122</b>	<b>558,744</b>	<b>557,367</b>	<b>6,779,306</b>
<b>SD Jurisdictional Revenue Requirement</b>	<b>26,785</b>	<b>26,721</b>	<b>26,656</b>	<b>26,592</b>	<b>26,527</b>	<b>26,463</b>	<b>26,399</b>	<b>26,334</b>	<b>26,270</b>	<b>26,205</b>	<b>26,141</b>	<b>26,076</b>	<b>317,170</b>

Transmission Cost Recovery Rider  
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	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>Chisago Apple River</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	20,313,10E	20,665,05E	20,890,75E	20,991,85E	17,539,68E	17,562,68E	17,562,68E	17,562,68E	0	0	0	0	0
Plus Plant In-Service	28,844,954	28,845,054	28,845,154	28,845,254	32,354,23E	32,354,23E	32,354,23E	32,354,23E	49,916,91E	49,916,91E	49,916,91E	49,916,91E	49,916,91E
Less Book Depreciation Reserve	355,899	415,79E	475,68E	535,57E	599,29E	666,83E	734,37E	801,91E	888,86E	995,21E	1,101,56E	1,207,91E	1,207,91E
Less Accum Deferred Taxes	1,953,47E	1,966,05E	1,977,95E	1,988,43E	2,006,69E	2,029,82E	2,052,82E	2,075,71E	2,132,36E	2,222,85E	2,313,38E	2,403,90E	2,403,90E
End Of Month Rate Base	46,848,691	47,123,28E	47,282,26E	47,312,09E	47,287,92E	47,220,25E	47,129,70E	47,039,28E	46,895,68E	46,696,84E	46,501,96E	46,305,09E	46,305,09E
Average Rate Base (BOM/EOM)	46,659,59E	46,988,48E	47,205,27E	47,397,18E	47,300,01E	47,254,08E	47,174,98E	47,084,49E	46,967,48E	46,797,26E	46,600,40E	46,403,52E	46,977,73E
<b>Calculation of Return</b>													
Plus Debt Return	120,14E	120,99E	121,55E	121,79E	121,79E	121,67E	121,47E	121,24E	120,94E	120,50E	119,99E	119,48E	1,451,61E
Plus Equity Return	205,691	207,141	208,09E	208,50E	208,51E	208,31E	207,96E	207,56E	207,04E	206,29E	205,43E	204,56E	2,485,12E
Total Return	325,839	328,13E	329,65E	330,29E	330,31E	329,99E	329,43E	328,80E	327,99E	326,80E	325,42E	324,05E	3,936,73E
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	22,811	22,811	22,811	22,811	22,811	22,811	22,811	22,811	22,811	22,811	22,811	22,811	273,72E
Plus Book Depreciation	49,843	59,89E	59,89E	59,89E	63,71E	67,54E	67,54E	67,54E	86,94E	106,35E	106,35E	106,35E	901,85E
Plus Deferred Taxes	(5,989)	12,56E	11,92E	11,47E	17,25E	23,13E	23,00E	22,88E	56,64E	90,49E	90,52E	90,52E	444,44E
Plus Gross Up for Income Tax	117,00E	103,55E	104,57E	105,13E	100,77E	96,21E	96,12E	96,00E	69,86E	43,53E	43,04E	42,57E	1,018,38E
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OAITT Credit to retail customers	103,41E	106,85E	107,03E	107,08E	111,69E	116,24E	116,08E	115,89E	121,54E	127,08E	126,68E	126,29E	1,385,92E
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	80,25E	91,96E	92,15E	92,23E	92,85E	93,44E	93,39E	93,34E	114,72E	136,10E	136,03E	135,96E	1,252,49E
Total Revenue Requirements	406,091	420,10E	421,80E	422,52E	423,17E	423,44E	422,83E	422,15E	442,71E	462,90E	461,46E	460,02E	5,189,23E
SD Jurisdictional Revenue Requirement	18,999	19,65E	19,73E	19,76E	19,79E	19,81E	19,78E	19,75E	20,71E	21,65E	21,59E	21,52E	242,77E

Transmission Cost Recovery Rider  
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	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>CAPX2020 - Fargo</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	22,196,261	19,707,701	20,591,141	21,363,947	21,984,682	24,762,120	27,598,760	29,215,420	30,983,560	32,783,340	30,019,100	31,116,340	31,116,340
Plus Plant In-Service	3,234,222	6,643,222	6,643,222	6,864,857	6,865,562	6,865,564	6,865,564	6,865,564	6,865,564	7,265,564	11,316,564	11,316,564	11,316,564
Less Book Depreciation Reserve	2,945	4,126	5,306	6,732	8,403	10,075	11,747	13,419	15,090	16,762	18,434	20,106	20,106
Less Accum Deferred Taxes	(129,285)	(159,349)	(190,924)	(223,561)	(256,911)	(292,460)	(331,584)	(373,340)	(416,857)	(462,288)	(509,743)	(559,208)	(559,208)
End Of Month Rate Base	25,556,822	26,506,147	27,419,982	28,445,632	29,098,752	31,910,065	34,784,161	36,440,900	38,250,891	40,494,422	41,826,972	42,972,000	42,972,000
Average Rate Base (BOM/EOM)	24,578,172	26,031,482	26,963,062	27,932,800	28,772,192	30,504,411	33,347,112	35,612,532	37,348,892	39,372,660	41,160,701	42,399,490	32,835,044
<b>Calculation of Return</b>													
Plus Debt Return	63,289	67,031	69,430	71,927	74,088	78,549	85,869	91,702	96,166	101,385	105,989	109,179	1,014,602
Plus Equity Return	108,349	114,755	118,862	123,137	126,837	134,474	147,005	156,992	164,633	173,568	181,450	186,911	1,736,974
Total Return	171,638	181,787	188,292	195,064	200,926	213,022	232,874	248,694	260,799	274,952	287,439	296,090	2,751,577
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	3,736	44,826
Plus Book Depreciation	1,181	1,181	1,181	1,425	1,671	1,672	1,672	1,672	1,672	1,672	1,672	1,672	18,341
Plus Deferred Taxes	(28,043)	(30,065)	(31,575)	(32,637)	(33,350)	(35,349)	(39,124)	(41,756)	(43,517)	(45,431)	(47,456)	(49,465)	(457,967)
Plus Gross Up for Income Tax	80,215	85,241	88,630	91,760	94,309	100,136	109,672	117,103	122,590	128,894	134,717	139,225	1,292,492
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less RECB Credit to retail customers	107,775	113,973	117,924	122,205	125,948	133,358	145,521	155,236	162,696	171,433	179,107	184,360	1,719,530
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	(50,688)	(53,881)	(55,953)	(57,920)	(59,582)	(63,363)	(69,565)	(74,482)	(78,215)	(82,563)	(86,438)	(89,193)	(821,843)
Total Revenue Requirements	120,950	127,906	132,339	137,144	141,344	149,660	163,309	174,212	182,584	192,390	201,001	206,897	1,929,734
SD Jurisdictional Revenue Requirement	5,659	5,984	6,191	6,416	6,613	7,002	7,640	8,151	8,542	9,001	9,404	9,680	90,283

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CAPX2020 - Brookings													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>Rate Base</b>													
Plus CWIP Ending Balance	16,769,704	16,998,704	17,282,704	18,258,704	19,411,704	21,473,704	23,331,704	25,195,704	27,017,762	28,893,762	30,229,762	20,634,762	20,634,762
Plus Plant In-Service	0	0	0	0	0	0	0	0	48,941	48,941	48,941	10,982,941	10,982,941
Less Book Depreciation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Accum Deferred Taxes	(272,444)	(299,635)	(327,314)	(355,664)	(384,873)	(415,019)	(446,008)	(477,673)	(510,019)	(543,048)	(576,759)	(611,064)	(611,064)
End Of Month Rate Base	17,042,144	17,298,335	17,610,018	18,614,368	19,796,577	21,888,722	23,777,712	25,673,377	27,576,722	29,485,752	30,855,462	32,228,762	32,228,762
Average Rate Base (BOM/EOM)	16,648,637	17,170,244	17,454,178	18,112,192	19,205,472	20,842,650	22,833,218	24,725,545	26,625,050	28,531,237	30,170,608	31,542,110	22,821,762
<b>Calculation of Return</b>													
Plus Debt Return	42,870	44,213	44,945	46,639	49,454	53,670	58,796	63,668	68,560	73,468	77,689	81,221	705,192
Plus Equity Return	73,393	75,692	76,944	79,845	84,664	91,881	100,656	108,998	117,372	125,775	133,002	139,048	1,207,271
<b>Total Return</b>	116,263	119,906	121,888	126,483	134,118	145,551	159,452	172,667	185,932	199,243	210,691	220,269	1,912,464
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	(26,272)	(27,191)	(27,679)	(28,351)	(29,208)	(30,146)	(30,989)	(31,665)	(32,346)	(33,030)	(33,711)	(34,306)	(564,892)
Plus Gross Up for Income Tax	60,008	61,963	63,018	65,104	68,368	72,986	78,368	83,387	88,427	93,485	97,908	101,627	934,650
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	33,737	34,773	35,339	36,753	39,160	42,840	47,379	51,722	56,081	60,455	64,197	67,322	569,758
<b>Total Revenue Requirements</b>	150,000	154,678	157,228	163,237	173,278	188,391	206,831	224,389	242,013	259,699	274,888	287,591	2,482,222
<b>Total Revenue Requirements MVP Cost Allocation @ 9.3%</b>	13,950	14,385	14,622	15,181	16,115	17,520	19,235	20,868	22,507	24,152	25,565	26,746	230,847
<b>SD Jurisdictional Revenue Requirement</b>	653	673	684	710	754	820	900	976	1,053	1,130	1,196	1,251	10,800

Transmission Cost Recovery Rider  
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	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>CAPX2020 - La Crosse 1</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	4,477,052	4,601,510	4,725,968	4,850,426	4,997,258	5,144,089	5,400,430	5,656,771	6,170,423	6,484,276	6,743,244	7,051,544	7,051,544
Plus Plant In-Service	0	0	0	0	0	0	200,000	200,000	200,000	200,000	200,000	400,000	400,000
Less Book Depreciation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Accum Deferred Taxes	(72,723)	(80,512)	(88,555)	(96,854)	(105,429)	(114,298)	(123,553)	(133,280)	(143,498)	(154,193)	(165,325)	(177,016)	(177,016)
End Of Month Rate Base	4,549,775	4,662,022	4,814,524	4,947,281	5,102,686	5,258,387	5,723,983	5,990,057	6,513,922	6,838,469	7,108,569	7,628,564	7,628,560
Average Rate Base (BOM/EOM)	4,483,779	4,615,899	4,748,273	4,880,902	5,024,984	5,180,537	5,401,185	5,857,020	6,251,989	6,676,195	6,973,519	7,368,564	5,629,404
<b>Calculation of Return</b>													
Plus Debt Return	11,546	11,886	12,227	12,568	12,939	13,340	14,140	15,082	16,099	17,191	17,957	18,974	173,949
Plus Equity Return	19,766	20,348	20,932	21,517	22,152	22,838	24,207	25,820	27,561	29,431	30,742	32,483	297,795
<b>Total Return</b>	31,312	32,234	33,159	34,085	35,091	36,177	38,347	40,902	43,660	46,622	48,698	51,457	471,744
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	(7,835)	(7,789)	(8,043)	(8,299)	(8,574)	(8,869)	(9,255)	(9,733)	(10,213)	(10,694)	(11,133)	(11,691)	(111,828)
Plus Gross Up for Income Tax	16,520	17,051	17,544	18,058	18,615	19,214	20,253	21,494	22,805	24,188	25,236	26,608	247,567
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	8,680	8,934	9,189	9,444	9,721	10,021	10,629	11,343	12,117	12,949	13,527	14,297	130,852
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	305	308	312	315	319	324	369	417	476	545	575	621	4,887
<b>Total Revenue Requirements</b>	31,617	32,542	33,471	34,400	35,410	36,502	38,716	41,315	44,136	47,167	49,274	52,078	476,631
<b>SD Jurisdictional Revenue Requirement</b>	1,479	1,523	1,566	1,609	1,657	1,708	1,811	1,933	2,065	2,207	2,305	2,436	22,298

Transmission Cost Recovery Rider  
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	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>CAPX2020 - La Crosse 2</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	6,715,575	6,902,266	7,088,953	7,275,640	7,495,887	7,716,133	8,100,645	8,485,157	9,255,635	9,726,415	10,114,866	10,577,316	10,577,316
Plus Plant In-Service	0	0	0	0	0	0	300,000	300,000	300,000	300,000	300,000	600,000	600,000
Less Book Depreciation Reserve	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481	81,481
Less Accum Deferred Taxes	(107,283)	(117,216)	(127,474)	(138,058)	(148,994)	(160,304)	(172,104)	(184,507)	(197,516)	(211,134)	(225,306)	(240,179)	(240,179)
End Of Month Rate Base	6,741,361	6,938,001	7,134,949	7,332,217	7,563,395	7,794,956	8,491,266	8,889,182	9,671,670	10,156,066	10,558,690	11,336,014	11,336,014
Average Rate Base (BOM/EOM)	6,643,232	6,839,691	7,036,473	7,233,582	7,447,808	7,679,178	8,143,112	8,689,725	9,279,927	9,913,865	10,357,375	10,947,352	8,350,944
<b>Calculation of Return</b>													
Plus Debt Return	17,106	17,612	18,119	18,626	19,178	19,774	20,969	22,376	23,896	25,528	26,670	28,189	258,044
Plus Equity Return	29,286	30,152	31,019	31,888	32,832	33,852	35,898	38,307	40,909	43,704	45,659	48,260	441,765
Total Return	46,392	47,764	49,138	50,515	52,011	53,626	56,866	60,683	64,805	69,232	72,329	76,449	699,809
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	6,449	6,659	6,869	7,081	7,312	7,564	7,908	8,345	8,785	9,228	9,628	10,154	95,984
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	(9,609)	(9,935)	(10,258)	(10,584)	(10,935)	(11,310)	(11,800)	(12,403)	(13,009)	(13,618)	(14,172)	(14,874)	(142,505)
Plus Gross Up for Income Tax	23,263	23,982	24,703	25,425	26,207	27,049	28,532	30,300	32,174	34,153	35,638	37,586	349,014
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less RECB Credit to retail customers	20,786	21,404	22,023	22,644	23,318	24,048	25,479	27,173	28,995	30,946	32,330	34,172	313,319
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	(683)	(696)	(709)	(722)	(734)	(745)	(838)	(931)	(1,045)	(1,182)	(1,236)	(1,305)	(10,827)
Total Revenue Requirements	45,709	47,067	48,429	49,793	51,277	52,881	56,028	59,753	63,760	68,050	71,093	75,144	688,982
SD Jurisdictional Revenue Requirement	2,138	2,202	2,266	2,330	2,399	2,474	2,621	2,796	2,983	3,184	3,326	3,516	32,234

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2011

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>CAPX2020 - Bemidji</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	4,587,371	4,675,371	4,860,371	4,972,371	5,420,371	6,234,371	7,247,371	8,010,371	9,475,371	11,861,371	15,020,371	16,959,371	16,959,371
Plus Plant In-Service	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489	295,489
Less Book Depreciation Reserve	606	1,012	1,417	1,822	2,227	2,632	3,037	3,442	3,847	4,252	4,657	5,063	5,063
Less Accum Deferred Taxes	(56,217)	(63,247)	(70,503)	(78,005)	(85,937)	(94,807)	(105,023)	(116,552)	(129,722)	(145,701)	(165,711)	(189,364)	(189,364)
End Of Month Rate Base	4,938,471	5,033,095	5,224,946	5,344,041	5,799,570	6,622,035	7,644,845	8,418,965	9,896,735	12,298,505	15,476,913	17,439,161	17,439,161
Average Rate Base (BOM/EOM)	4,893,734	4,985,782	5,129,020	5,284,494	5,571,806	6,210,802	7,133,440	8,031,907	9,157,852	11,097,522	13,887,611	16,458,037	8,153,501
<b>Calculation of Return</b>													
Plus Debt Return	12,601	12,838	13,207	13,608	14,347	15,993	18,369	20,682	23,581	28,576	35,761	42,379	251,943
Plus Equity Return	21,573	21,979	22,610	23,296	24,562	27,379	31,447	35,407	40,371	48,922	61,221	72,553	431,320
<b>Total Return</b>	<b>34,175</b>	<b>34,817</b>	<b>35,818</b>	<b>36,903</b>	<b>38,910</b>	<b>43,372</b>	<b>49,815</b>	<b>56,089</b>	<b>63,952</b>	<b>77,498</b>	<b>96,982</b>	<b>114,932</b>	<b>683,263</b>
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	341	341	341	341	341	341	341	341	341	341	341	341	4,088
Plus Book Depreciation	405	405	405	405	405	405	405	405	405	405	405	405	4,861
Plus Deferred Taxes	(6,877)	(7,029)	(7,256)	(7,501)	(7,934)	(8,870)	(10,215)	(11,529)	(13,170)	(15,979)	(20,009)	(23,654)	(140,024)
Plus Gross Up for Income Tax	16,983	17,320	17,837	18,397	19,416	21,664	24,903	28,060	32,013	38,807	48,574	57,517	341,490
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less RECB Credit to retail customers	17,708	18,034	18,542	19,093	20,113	22,383	25,662	28,855	32,856	39,752	49,671	58,815	351,463
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	<b>(6,858)</b>	<b>(6,998)</b>	<b>(7,215)</b>	<b>(7,451)</b>	<b>(7,884)</b>	<b>(8,844)</b>	<b>(10,229)</b>	<b>(11,578)</b>	<b>(13,265)</b>	<b>(16,177)</b>	<b>(20,361)</b>	<b>(24,205)</b>	<b>(141,069)</b>
<b>Total Revenue Requirements</b>	<b>27,317</b>	<b>27,819</b>	<b>28,602</b>	<b>29,452</b>	<b>31,026</b>	<b>34,528</b>	<b>39,586</b>	<b>44,511</b>	<b>50,684</b>	<b>61,320</b>	<b>76,621</b>	<b>90,727</b>	<b>542,194</b>
<b>SD Jurisdictional Revenue Requirement</b>	<b>1,278</b>	<b>1,302</b>	<b>1,338</b>	<b>1,378</b>	<b>1,452</b>	<b>1,615</b>	<b>1,852</b>	<b>2,082</b>	<b>2,371</b>	<b>2,869</b>	<b>3,585</b>	<b>4,245</b>	<b>25,367</b>

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2011

North Mankato													
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>Rate Base</b>													
Rate Base	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960	120,960
Plus CWIP Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Plant In-Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Book Depreciation Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Accum Deferred Taxes	(6,330)	(9,703)	(14,217)	(19,381)	(25,164)	(31,545)	(38,428)	(45,697)	(53,246)	(61,027)	(69,067)	(77,414)	(77,414)
End Of Month Rate Base	127,290	130,663	135,177	140,341	146,123	152,505	159,388	166,657	174,205	181,987	190,026	198,374	198,374
Average Rate Base (BOM/EOM)	126,211	128,976	132,920	137,759	143,232	149,314	155,946	163,022	170,431	178,096	186,006	194,200	155,509
<b>Calculation of Return</b>													
Plus Debt Return	325	332	342	355	369	384	402	420	439	459	479	500	4,805
Plus Equity Return	556	569	586	607	631	658	687	719	751	785	820	856	8,226
Total Return	881	901	928	962	1,000	1,043	1,089	1,138	1,190	1,244	1,299	1,356	13,032
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Deferred Taxes	(2,157)	(3,373)	(4,514)	(5,164)	(5,783)	(6,381)	(6,883)	(7,269)	(7,549)	(7,781)	(8,040)	(8,348)	(73,241)
Plus Gross Up for Income Tax	6,763	10,407	13,849	15,859	17,787	19,667	21,271	22,544	23,507	24,338	25,251	26,317	227,559
Less AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Less AFUDC Gross Up for Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Less OATT Credit to retail customers	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income Statement Expense	4,606	7,034	9,336	10,695	12,004	13,286	14,388	15,274	15,958	16,557	17,212	17,969	154,318
Total Revenue Requirements	5,487	7,934	10,264	11,657	13,004	14,328	15,477	16,413	17,149	17,800	18,511	19,325	167,349
MN Jurisdictional Revenue Requirement	257	371	480	545	608	670	724	768	802	833	866	904	7,829

Transmission Cost Recovery Rider  
TCR Tracker Account Calculation - 2011

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual
<b>Blue Lake/Wilmarth/Lakefield</b>													
<b>Rate Base</b>													
Plus CWIP Ending Balance	2	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plus Plant In-Service	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566	2,924,566
Less Book Depreciation Reserve	157,255	163,713	170,171	176,629	183,087	189,546	196,004	202,462	208,920	215,378	221,836	228,294	228,294
Less Accum Deferred Taxes	278,011	292,886	307,760	322,634	337,508	352,383	367,257	382,131	397,005	411,880	426,754	441,628	441,628
End Of Month Rate Base	2,489,295	2,467,965	2,446,635	2,425,296	2,403,966	2,382,634	2,361,301	2,339,965	2,318,637	2,297,305	2,275,972	2,254,640	2,254,640
Average Rate Base (BOM/EOM)	2,499,955	2,478,625	2,457,297	2,435,964	2,414,635	2,393,300	2,371,966	2,350,635	2,329,300	2,307,971	2,286,638	2,265,306	2,382,632
<b>Calculation of Return</b>													
Plus Debt Return	6,437	6,382	6,328	6,273	6,218	6,163	6,108	6,053	5,998	5,943	5,888	5,833	73,623
Plus Equity Return	11,021	10,927	10,833	10,739	10,645	10,550	10,456	10,362	10,268	10,174	10,080	9,986	126,041
<b>Total Return</b>	17,458	17,309	17,160	17,011	16,862	16,713	16,564	16,415	16,266	16,117	15,968	15,819	199,665
<b>Income Statement Items</b>													
Plus Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Accrued Costs / Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Avoided Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Property Taxes	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	3,377	40,525
Plus Book Depreciation	6,457	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	6,458	77,495
Plus Deferred Taxes	14,859	14,874	14,874	14,874	14,874	14,874	14,874	14,874	14,874	14,874	14,874	14,874	178,475
Plus Gross Up for Income Tax	(5,469)	(5,532)	(5,583)	(5,634)	(5,684)	(5,735)	(5,786)	(5,836)	(5,887)	(5,938)	(5,988)	(6,039)	(69,112)
Less AFUDC	2	0	0	0	0	0	0	0	0	0	0	0	2
Less AFUDC Gross Up for Income Tax	1	0	0	0	0	0	0	0	0	0	0	0	1
Less OATT Credit to retail customers	7,900	7,859	7,816	7,773	7,730	7,687	7,644	7,601	7,558	7,515	7,472	7,429	91,985
Less Wind Production Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Wind PTC Gross up for Income Tax (Fed only)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Income Statement Expense</b>	11,320	11,318	11,310	11,303	11,295	11,287	11,280	11,272	11,264	11,257	11,249	11,241	135,396
<b>Total Revenue Requirements</b>	28,778	28,627	28,470	28,314	28,157	28,000	27,844	27,687	27,531	27,374	27,217	27,061	335,060
<b>SD Jurisdictional Revenue Requirement</b>	1,346	1,339	1,332	1,325	1,317	1,310	1,303	1,295	1,288	1,281	1,273	1,266	15,676

**Transmission Cost Recovery  
Base Assumptions**

Public Document Trade Secret Date Has Been  
Excised

**Weighted Cost of Capital**

	2008 Actual			2009 - 2011		
	Rate	Ratio	Weighted Cost	Rate	Ratio	Weighted Cost
Long Term Debt						
Preferred Stock						
Short Term Debt						
Common Equity						
Required Rate of Return			8.37%			8.38%

**Composite Income Tax Rates**

	2008	2009	2010	2011
State of South Dakota Tax rate	0.00%	0.00%	0.00%	0.00%
Federal Statutory Tax rate	35.00%	35.00%	35.00%	35.00%
Federal Effective Tax Rate (1-State Rate * Fed Rate)	35.00%	35.00%	35.00%	35.00%
Total South Dakota Composite Tax Rate	35.0000%	35.0000%	35.0000%	35.0000%
Total Corporate Composite Tax Rate (2009 Forecast)	40.8752%	40.8630%	40.8530%	40.8431%

**State of SD Transmission Demand Factor (1)**

36 Month Coincident Peak Demand Allocator	4.3342%	4.4651%	4.6785%	4.6785%
State of South Dakota Retail Demand Allocator	84.4224%	83.8829%	83.8756%	83.8756%

**Composite Depreciation Rates**

Depreciation Rate - Lines	2.1259%	2.6518%	2.6518%	2.6518%
Depreciation Rate - Substations	2.4936%	2.6151%	2.6151%	2.6151%

**Property Tax Rates**

Property Tax Rate: MN State Electric Personal Property Tax Rate	1.620%	1.386%	1.386%	1.386%
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**OATT Revenue Credit for Non-Retail Transmission Recovery**

	25.0400%	23.8700%	20.3100%	21.5400%
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Transmission Cost Recovery  
Base Assumptions

(1) Calculation of State of South Dakota - Demand Allocators

	Total	Minnesota Company	Minnesota	N Dakota	S Dakota	Wholesale	WI Co
<u>2008 Transmission Demand Allocators</u>							
36 Month Coin Peak Demand	100.0000%	84.4224%					15.5776%
12 Month Jurisdictional Demand	100.0000%		86.7317%	5.6655%	5.1340%	2.4688%	
2008 State of SD Transmission Demand Factor					4.3342%		
<u>2009 Transmission Demand Allocators</u>							
36 Month Coin Peak Demand	100.0000%	83.8829%					16.1171%
12 Month Jurisdictional Demand	100.0000%		87.0761%	5.6745%	5.3230%	1.9264%	
2009 State of SD Transmission Demand Factor					4.4651%		
<u>2010 &amp; 2011 Transmission Demand Allocators</u>							
36 Month Coin Peak Demand	100.0000%	83.8756%					16.1244%
12 Month Jurisdictional Demand	100.0000%		88.4924%	5.8107%	5.5779%	0.1190%	
2010 State of SD Transmission Demand Factor					4.6785%		

2008 Actual

<u>Cost of Capital**</u>	Annual			
Weighted Cost of Debt	0.00%			
Weighted Cost of Equity	0.00%			
Total Cost of Capital	8.37%			
Tax Gross-up	2.7693%	Monthly***	Composite Tax Rate - SD	35.00%
Cost of Capital Including Taxes	11.1373%	0.8839%		

2009 Actual - 2011 Forecast

<u>Cost of Capital**</u>	Annual			
Weighted Cost of Debt	0.00%			
Weighted Cost of Equity	0.00%			
Total Cost of Capital	8.38%			
Tax Gross-up	2.8504%	Monthly***	Composite Tax Rate - SD	35.00%
Cost of Capital Including Taxes	11.2324%	0.8910%		

\*\*\*The Annual Cost of Capital was adjusted for monthly compounding.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
Transmission Cost Recovery Rider

Attachment 23

TCR Projected Tracker Activity for 2010														
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	
	Beg Balance	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010 Total
Project 1 - 825 Wind Main Project (1)		51,996	-	-	-	-	-	-	-	-	-	-	-	51,996
Project 2 - Yankee Collector Stn (2)		1,497	-	-	-	-	-	-	-	-	-	-	-	1,497
Project 3 - Fenton Collector Stn (3)		2,045	-	-	-	-	-	-	-	-	-	-	-	2,045
Project 4 - Series Capacitor Stn (4)		1,968	-	-	-	-	-	-	-	-	-	-	-	1,968
Project 5 - Nobles Co Collector Stn (5)		792	-	-	-	-	-	-	-	-	-	-	-	792
Project 6 - Rock Co Collector Stn (6)		835	-	-	-	-	-	-	-	-	-	-	-	835
<b>Subtotal Transmission Statute Projects</b>		<b>59,132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,132</b>
TCR True-up Carryover (7)	223,703	-	-	-	-	-	-	-	-	-	-	-	-	223,703
<b>Total Expense (8)</b>	<b>\$ 223,703</b>	<b>\$ 282,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 282,835</b>					
Revenues (9)		151,483	(42,678)	15,463	13,227	13,947	16,818	20,017	19,769	15,252	14,756	13,862	15,931	\$ 267,847
Expenses Less Revenues (10)		223,703	131,353	42,678	(15,463)	(13,227)	(13,947)	(16,818)	(20,017)	(19,769)	(15,252)	(14,756)	(13,862)	14,988
<b>Balance before Carrying Charge (11)</b>		<b>131,353</b>	<b>175,201</b>	<b>161,299</b>	<b>149,509</b>	<b>136,894</b>	<b>121,296</b>	<b>102,359</b>	<b>83,503</b>	<b>68,995</b>	<b>54,853</b>	<b>41,480</b>	<b>25,919</b>	<b>\$ 14,988</b>
Carrying Charge (12)		1,170	1,561	1,437	1,332	1,220	1,081	912	744	615	489	370	231	\$ 11,161
<b>Ending Balance (13)</b>	<b>223,703</b>	<b>132,523</b>	<b>176,762</b>	<b>162,736</b>	<b>150,841</b>	<b>138,114</b>	<b>122,376</b>	<b>103,271</b>	<b>84,247</b>	<b>69,609</b>	<b>55,342</b>	<b>41,850</b>	<b>26,150</b>	<b>\$ 26,150</b>

Notes:

- (1) Revenue Requirements calculated for Project 1 on Attachment 8
- (2) Revenue Requirements calculated for Project 2 on Attachment 9
- (3) Revenue Requirements calculated for Project 3 on Attachment 10
- (4) Revenue Requirements calculated for Project 4 on Attachment 11
- (5) Revenue Requirements calculated for Project 5 Attachment 12
- (6) Revenue Requirements calculated for Project 6 on Attachment 13
- (7) The beginning balance in 2010 is carried over from the 2009 ending balance.
- (8) Total Expense for Transmission and Renewable Transmission Projects.
- (9) See Attachment 24 for the calculation of revenues collected under this rate adjustment rider. The factors are also shown on Attachment 24.
- (10) Expenses Less Revenues is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue that would have been received from customers under this rider.
- (11) Balance before carrying charge for the month.
- (12) Carrying charge
- (13) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
 Transmission Cost Recovery Rider  
 2010 Revenue Calculation

	Total Revenue	Retail Sales (3)	Average kWh Use Per Residential Customer	\$/kWh
<b>Adjustment Factors</b>				
2010 TCR Rates (1)	\$0.000094		750	\$ 0.0705
Jan-10 Actual	151,483	170,044,072		
Feb-10 Actual	(42,678)	146,799,434		
Mar-10 Actual	15,463	161,549,033		
Apr-10 Actual	13,227	139,540,501		
May-10 Actual	13,947	143,461,042		
Jun-10 Actual	16,818	181,965,525		
Jul-10 Actual	20,017	205,391,073		
Aug-10 Actual	19,769	200,294,467		
Sep-10 (2)	15,252	162,253,307		
Oct-10 (2)	14,756	156,983,016		
Nov-10 (2)	13,862	147,473,275		
Dec-10 (2)	15,931	169,479,790		
<b>Total Jan-Dec</b>	<b>\$ 267,847</b>	<b>1,985,234,535</b>		

Notes:

- (1) 2010 TCR Adjustment Factor was determined in 12/2009 as an estimate based on a 1/1/2010 Rate Case settlement implementation date.
- (2) 2010 estimated revenues to be recovered under the TCR Rate Rider are calculated by multiplying the TCR Adjustment Factor, listed above, by the forecast sales for the month.
- (3) Sales are based on the 2011 State of South Dakota budget sales by calendar month.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
TCR Rider Factor Calculation

Attachment 25

TCR Projected Tracker Activity for 2009														
	Actual													
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009 Total	
Project 1 - 825 Wind Main Project (1)	90,338	90,100	89,854	89,599	89,341	88,964	88,711	88,579	88,320	88,348	88,372	88,105	1,068,632	
Project 2 - Yankee Collector Stn (2)	2,611	2,603	2,595	2,587	2,578	2,570	2,562	2,554	2,545	2,537	2,529	2,521	30,791	
Project 3 - Fenton Collector Stn (3)	3,568	3,557	3,545	3,534	3,523	3,512	3,500	3,489	3,478	3,467	3,455	3,444	42,072	
Project 4 - Series Capacitor Stn (4)	3,429	3,420	3,410	3,399	3,389	3,377	3,366	3,357	3,346	3,335	3,325	3,314	40,467	
Project 5 - Nobles Co Collector Stn (5)	1,379	1,375	1,371	1,366	1,362	1,358	1,353	1,349	1,345	1,340	1,334	1,330	16,261	
Project 6 - Rock Co Collector Stn (6)	1,458	1,453	1,448	1,444	1,439	1,434	1,429	1,425	1,420	1,415	1,411	1,406	17,182	
<b>Subtotal Transmission Statute Projects</b>	<b>102,783</b>	<b>102,508</b>	<b>102,223</b>	<b>101,929</b>	<b>101,632</b>	<b>101,214</b>	<b>100,923</b>	<b>100,752</b>	<b>100,454</b>	<b>100,442</b>	<b>100,426</b>	<b>100,120</b>	<b>1,215,405</b>	
TCR True-up Carryover (7)	588,697	-	-	-	-	-	-	-	-	-	-	-	588,697	
<b>Total Expense (8)</b>	<b>\$ 588,697</b>	<b>\$ 691,480</b>	<b>\$ 102,508</b>	<b>\$ 102,223</b>	<b>\$ 101,929</b>	<b>\$ 101,632</b>	<b>\$ 101,214</b>	<b>\$ 100,923</b>	<b>\$ 100,752</b>	<b>\$ 100,454</b>	<b>\$ 100,442</b>	<b>\$ 100,426</b>	<b>\$ 1,804,102</b>	
Revenues (9)	-	135,816	153,416	129,776	139,094	149,468	166,389	171,777	147,102	142,637	140,331	155,111	1,630,916	
<b>Expenses Less Revenues (10)</b>	<b>691,480</b>	<b>(33,308)</b>	<b>(51,193)</b>	<b>(27,847)</b>	<b>(37,461)</b>	<b>(48,253)</b>	<b>(65,466)</b>	<b>(71,025)</b>	<b>(46,648)</b>	<b>(42,195)</b>	<b>(39,905)</b>	<b>(54,991)</b>	<b>\$ 173,187</b>	
<b>Balance before Carrying Charge (11)</b>	<b>691,480</b>	<b>664,333</b>	<b>619,059</b>	<b>596,728</b>	<b>564,584</b>	<b>521,361</b>	<b>460,540</b>	<b>393,618</b>	<b>350,478</b>	<b>311,405</b>	<b>274,275</b>	<b>221,727</b>	<b>\$ 173,187</b>	
<b>Carrying Charge (12)</b>	<b>6,161</b>	<b>5,919</b>	<b>5,516</b>	<b>5,317</b>	<b>5,030</b>	<b>4,645</b>	<b>4,103</b>	<b>3,507</b>	<b>3,123</b>	<b>2,775</b>	<b>2,444</b>	<b>1,976</b>	<b>\$ 50,516</b>	
<b>Ending Balance (13)</b>	<b>588,697</b>	<b>697,641</b>	<b>670,252</b>	<b>624,575</b>	<b>602,045</b>	<b>569,614</b>	<b>526,006</b>	<b>464,644</b>	<b>397,126</b>	<b>353,600</b>	<b>314,180</b>	<b>276,719</b>	<b>\$ 223,703</b>	

Notes:

- (1) Revenue Requirements calculated for Project 1 on Attachment 8
- (2) Revenue Requirements calculated for Project 2 on Attachment 9
- (3) Revenue Requirements calculated for Project 3 on Attachment 10
- (4) Revenue Requirements calculated for Project 4 on Attachment 11
- (5) Revenue Requirements calculated for Project 5 Attachment 12
- (6) Revenue Requirements calculated for Project 6 on Attachment 13
- (7) The beginning balance in 2009 is carried over from the 2008 ending balance.
- (8) Total Expense for Transmission and Renewable Transmission Projects.
- (9) Actual Revenues collected in 2009 under this rate adjustment rider.
- (10) Expenses Less Revenues is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue that would have been received from customers under this rider.
- (11) Balance before carrying charge for the month.
- (12) Carrying charge
- (13) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power Company, a Minnesota corporation - Electric (State of South Dakota)  
TCR Rider Factor Calculation

Attachment 26

TCR Projected Tracker Activity for 2008														
	Actual	Actual	Actual	Actual	Actual	Actual	Actual							
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008 Total	
Project 1 - 825 Wind Main Project (1)	-	-	-	-	-	-	79,104	84,458	84,703	84,466	83,928	83,356	500,014	
Project 2 - Yankee Collector Stn (2)	-	-	-	-	-	-	2,658	2,562	2,553	2,544	2,536	2,528	15,380	
Project 3 - Fenton Collector Stn (3)	-	-	-	-	-	-	3,504	3,493	3,482	3,470	3,459	3,448	20,855	
Project 4 - Series Capacitor Stn (4)	-	-	-	-	-	-	3,373	3,362	3,351	3,340	3,330	3,320	20,076	
Project 5 - Nobles Co Collector Stn (5)	-	-	-	-	-	-	1,200	1,197	1,193	1,190	1,187	1,183	7,150	
Project 6 - Rock Co Collector Stn (6)	-	-	-	-	-	-	1,232	1,230	1,229	1,231	1,231	1,228	7,381	
<b>Subtotal Transmission Statute Project</b>	-	-	-	-	-	-	<b>91,070</b>	<b>96,300</b>	<b>96,511</b>	<b>96,242</b>	<b>95,670</b>	<b>95,063</b>	<b>570,856</b>	
TCR True-up Carryover (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expense (8)</b>	<b>\$ -</b>	<b>\$ 91,070</b>	<b>\$ 96,300</b>	<b>\$ 96,511</b>	<b>\$ 96,242</b>	<b>\$ 95,670</b>	<b>\$ 95,063</b>	<b>\$ 570,856</b>						
Revenues (9)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
<b>Expenses Less Revenues (10)</b>	-	-	-	-	-	-	<b>91,070</b>	<b>96,300</b>	<b>96,511</b>	<b>96,242</b>	<b>95,670</b>	<b>95,063</b>	<b>\$ 570,856</b>	
<b>Balance before Carrying Charge (11)</b>	-	-	-	-	-	-	<b>91,070</b>	<b>188,176</b>	<b>286,349</b>	<b>385,123</b>	<b>484,197</b>	<b>583,539</b>	<b>\$ 570,856</b>	
<b>Carrying Charge (12)</b>	-	-	-	-	-	-	<b>805</b>	<b>1,663</b>	<b>2,531</b>	<b>3,404</b>	<b>4,280</b>	<b>5,158</b>	<b>\$ 17,841</b>	
<b>Ending Balance (13)</b>	-	-	-	-	-	-	<b>91,875</b>	<b>189,839</b>	<b>288,880</b>	<b>388,527</b>	<b>488,476</b>	<b>588,697</b>	<b>\$ 588,697</b>	

Notes:

- (1) Revenue Requirements calculated for Project 1 on Attachment 8
- (2) Revenue Requirements calculated for Project 2 on Attachment 9
- (3) Revenue Requirements calculated for Project 3 on Attachment 10
- (4) Revenue Requirements calculated for Project 4 on Attachment 11
- (5) Revenue Requirements calculated for Project 5 Attachment 12
- (6) Revenue Requirements calculated for Project 6 on Attachment 13
- (7) The beginning balance in 2008 is zero (there are no under/over recovered amounts to bring forward to 2008).
- (8) Total Expense for Transmission and Renewable Transmission Projects.
- (9) Actual Revenues collected in 2008 under this rate adjustment rider.
- (10) Expenses Less Revenues is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue that would have been received from customers under this rider.
- (11) Balance before carrying charge for the month.
- (12) Carrying charge
- (13) Ending balance is the amount over (under) collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider, including the carrying charge.

Northern States Power, a Minnesota corporation  
 Transmission Revenue From Others  
 NSP Revenue Credits for FERC Account 456  
 2010 Forecast

JDE Account	Description	Total 2010	Not Included in Gross Revenue Requirement	Included in Gross Revenue Requirement	Sch 26
801699 517210.1010	PTP Firm - Tsmn RTO	8,546,755.00		8,546,755.00	
801699 517220.1000	Grandfathered TM1	4,259,077.00		4,259,077.00	
801699 517220.1010	PTP Non-Firm - Tsmn R	1,557,507.00		1,557,507.00	
801699 517230.1000	Network - Tsmn - OATT	25,565,024.00		25,565,024.00	
801699 517230.1010	Network - Tsmn RTO	11,420,810.00		11,420,810.00	
881100 517250.1130	Contracts-SD State Pen	78,478.00		78,478.00	
801699 517250.1160	Contracts-WPPI Meter S	37,440.00		37,440.00	
801699 517250.1170	Contracts-UPA	8,040,000.00		8,040,000.00	
801699 517250.1190	Contracts-UND	53,896.00		53,896.00	
801699 517250.1210	Contracts-Granite Fall	14,063.00		14,063.00	
801699 517250.1220	Contracts-E Grand Fork	44,472.00		44,472.00	
881100 517250.1500	Contracts - Miscellane	0.00		0.00	
801699 517270.1000	Sch 1 - Tsmn OATT	207,412.00	207,412.00		
801699 517270.1010	Sch 1 - Tsmn RTO	1,001,387.00	1,001,387.00		
200107 517280.1000	Sch 2 - Tsmn-OATT	126,806.00	126,806.00		
200107 517280.1010	Sch 2 - Tsmn-RTO	9,160,657.00	9,160,657.00		
200107 517280.1240	Sch 2-PTP	52,910.00	52,910.00		
200107 517290.1000	Sch 3 - Tsmn-OATT	(1,883.00)	(1,883.00)		
200107 517310.1000	Sch 5 - Tsmn-OATT	0.00	0.00		
200107 517320.1000	Sch 6 - Tsmn-OATT	0.00	0.00		
801699 517322.0000	Sch 24 - Bal Auth	1,693,096.00	1,693,096.00		
801699 517323.1010	Sch 14 Reg Thru & Out-	0.00	0.00		
801699 517324.1010	Sch 26 Sub-Reg Rate Ad	4,406,224.00			4,406,224.00
801699 517328.0000	FERC Assmt Passthrough	0.00			
801699 517329.1000	RTO-Passthrough Rev -	182,154.00	182,154.00		
Totals (Ties to FERC Form 1, Page 330)		76,446,285.00	12,422,539.00	59,617,522.00	4,406,224.00

Includable Transmission Revenues 59,617,522.00  
 2010 Total OATT (Attachment O) Tran Rev Req 293,598,269.00  
 OATT Adjustment Factor 20.31%

Northern States Power, a Minnesota corporation  
 Transmission Revenue From Others  
 NSP Revenue Credits for FERC Account 456  
 2011 Forecast

JDE Account	Description	Total 2011	Not Included in Gross Revenue Requirement	Included in Gross Revenue Requirement	Sch 26
801699 517210.1010	PTP Firm - Tsmn RTO	11,064,460.00		11,064,460.00	
801699 517220.1000	Grandfathered TM1	4,260,775.00		4,260,775.00	
801699 517220.1010	PTP Non-Firm - Tsmn RT	541,435.00		541,435.00	
801699 517230.1000	Network - Tsmn - OATT	27,292,308.00		27,292,308.00	
801699 517230.1010	Network - Tsmn RTO	11,745,727.00		11,745,727.00	
881100 517250.1130	Contracts-SD State Pen	144,240.00		144,240.00	
801699 517250.1160	Contracts-WPPI Meter S	37,440.00		37,440.00	
801699 517250.1170	Contracts-UPA	8,040,000.00		8,040,000.00	
801699 517250.1190	Contracts-UND	54,609.00		54,609.00	
801699 517250.1210	Contracts-Granite Fall	14,064.00		14,064.00	
801699 517250.1220	Contracts-E Grand Fork	44,472.00		44,472.00	
881100 517250.1500	Contracts - Miscellane	0.00		0.00	
801699 517270.1000	Sch 1 - Tsmn OATT	210,098.00	210,098.00		
801699 517270.1010	Sch 1. - Tsmn RTO	1,056,777.00	1,056,777.00		
200107 517280.1000	Sch 2 - Tsmn-OATT	121,581.00	121,581.00		
200107 517280.1010	Sch 2 - Tsmn-RTO	9,017,338.00	9,017,338.00		
200107 517280.1240	Sch 2-PTP	0.00	0.00		
200107 517290.1000	Sch 3 - Tsmn-OATT	0.00	0.00		
200107 517310.1000	Sch 5 - Tsmn-OATT	0.00	0.00		
200107 517320.1000	Sch 6 - Tsmn-OATT	0.00	0.00		
801699 517322.0000	Sch 24 - Bal Auth	1,578,755.00	1,578,755.00		
801699 517323.1010	Sch 14 Reg Thru & Out-	0.00	0.00		
801699 517324.1010	Sch 26 Sub-Reg Rate Ad	8,984,763.00			8,984,763.00
801699 517328.0000	FERC Assmt Passthrough	0.00			
801699 517329.1000	RTO-Passthrough Rev -	207,325.00	207,325.00		
<b>Totals</b>		<b>84,416,167.00</b>	<b>12,191,874.00</b>	<b>63,239,530.00</b>	<b>8,984,763.00</b>
<b>Includable Transmission Revenues</b>				<b>63,239,530.00</b>	
<b>2010 Total OATT (Attachment O) Tran Rev Req</b>				<b>293,598,269.00</b>	
<b>OATT Adjustment Factor</b>				<b>21.54%</b>	

TCR Budget Adjustment  
 Annual Revenue Requirement in Base Rates  
 2008 Pro Forma Test Year  
 Docket No. EL09-009

**Public Document**  
**Trade Secret Data Has Been Excised**

<u>Rate Analysis</u>	<u>BRIGO</u>
Plant Investment	5,121,754
Depreciation Reserve	(5,611)
CWIP	-
Accumulated Deferred Taxes	(5,593,694)
	(477,551)
Average Rate Base	(477,551)
Debt Return	(14,518)
Equity Return	(25,215)
Current Income Tax Requirement	(7,844,250)
Book Depreciation	72,965
Annual Deferred Tax	11,187,388
ITC Flow Thru	-
Tax Depreciation & Removal Expense	29,137,369
AFUDC Expenditure	-
Book Depreciation Cleared to Operatin	-
Avoided Tax Interest	3,260,379
Property Tax @ 1.444%	73,958
<b>Total Revenue Requirements</b>	<b>3,450,329</b>
SD Electric Jurisdiction Rev Req	149,546

<u>Capital Structure</u>	<u>Rate</u>	<u>Ratio</u>	<u>Weighted Cost</u>
Long Term Debt			
Short Term Debt			
Preferred Stock			
Common Equity			
<b>Required Rate of Return</b>			<b>8.3200%</b>
<b>Tax Rate (SD)</b>	<b>35.0000%</b>		

36 Mo CP Demand	84.4224%
Tran Demand	5.1340%
<b>State of SD Elec Jur</b>	<b>4.3342%</b>

Calculation of RECB Revenue Credit

	RECB Recovery Percentage	% in Pricing Zone	NSP % of Pricing Zone	Postage Stamp to NSP Zone
<b>LaCrosse</b>				
RECB Expense				
NSP Pricing Zone	60.00% (1)	53.33%	89.53%	28.65%
GRE Pricing Zone	60.00% (1)	1.47%	6.32%	0.06%
OTP Pricing Zone	60.00% (1)	0.14%	38.08%	0.03%
ITC(M) Pricing Zone	60.00% (1)	9.90%	0.21%	0.01%
MP Pricing Zone	60.00% (1)	1.53%	0.06%	0.00%
RECB Expense to NSP				28.74%
RECB Revenue Percentage of Total Project Cost				60.00%
<b>LaCrosse Revenue Credit</b>				<b>31.26%</b>
<b>Fargo</b>				
RECB Expense				
NSP Pricing Zone	100.00%	51.87%	89.53%	46.44%
GRE Pricing Zone	100.00%	3.09%	6.32%	0.20%
OTP Pricing Zone	100.00%	16.37%	38.08%	6.24%
ITC(M) Pricing Zone	100.00%	1.19%	0.21%	0.00%
MP Pricing Zone	100.00%	9.43%	0.06%	0.01%
RECB Expense to NSP				52.88%
RECB Revenue Percentage of Total Project Cost				100.00%
<b>Fargo Revenue Credit</b>				<b>47.12%</b>
<b>Bemidji</b>				
RECB Expense				
NSP Pricing Zone	68.50% (2)	32.43%	89.53%	19.89%
GRE Pricing Zone	68.50% (2)	1.84%	6.32%	0.08%
OTP Pricing Zone	68.50% (2)	35.25%	38.08%	9.20%
ITC(M) Pricing Zone	68.50% (2)	0.44%	0.21%	0.00%
MP Pricing Zone	68.50% (2)	25.53%	0.06%	0.01%
RECB Expense to NSP				29.17%
RECB Revenue Percentage of Total Project Cost				68.50%
<b>Bemidji Revenue Credit</b>				<b>39.33%</b>

(1) 40% of LaCrosse recovered through Attachment O.

(2) MPC pays for 31.50% of project and that is not cost shared through RECB.