

## Interchange Agreement and Jurisdictional Allocation Methodology

	<i>Column 1</i>	<i>Column 1</i>							
	<i>Settlement Amount</i>	<b>NSPM</b>	<b>Minnesota Retail</b>	<b>North Dakota Retail</b>	<b>South Dakota Retail</b>	<b>Wholesale</b>			
<b>Initial Settlement Amount</b>	<i>Column 1 X Row 1</i>	\$ 99,966,841	\$ 84,543,050	\$ 74,349,034	\$ 4,956,690	\$ 4,285,234	\$ 952,093		
Estimated using Avg 1998 to 2008 allocation									
Outside Legal and Expert Witness Costs (Notes (1))				\$ (1,908,090)	\$ (288,794)	\$ (264,420)	\$ (20,358)		
<b>Amount Available for Initial Credit</b>		<b>\$ 84,543,050</b>	<b>\$ 72,440,943</b>	<b>\$ 4,667,895</b>	<b>\$ 4,020,814</b>	<b>\$ 931,735</b>			
<b>Estimated Additional Payments</b>									
Estimated using Avg 2009 & 2010 allocation	<i>Column 1 X Row 2</i>	\$ 15,000,000	\$ 12,564,383	\$ 10,997,453	\$ 706,897	\$ 685,959	\$ 174,073		
Estimated using 2011 allocation	<i>Column 1 X Row 3</i>	\$ 25,000,000	\$ 20,950,475	\$ 18,539,578	\$ 1,217,369	\$ 1,168,597	\$ 24,931		
Estimated using 2011 allocation	<i>Column 1 X Row 3</i>	\$ 31,000,000	\$ 25,978,589	\$ 22,989,077	\$ 1,509,538	\$ 1,449,060	\$ 30,915		
Estimated using 2011 allocation	<i>Column 1 X Row 3</i>	\$ 27,000,000	\$ 22,626,513	\$ 20,022,744	\$ 1,314,759	\$ 1,262,084	\$ 26,926		
<b>Additional Payment Totals</b>		<b>\$ 98,000,000</b>	<b>\$ 82,119,960</b>	<b>\$ 72,548,853</b>	<b>\$ 4,748,563</b>	<b>\$ 4,565,699</b>	<b>\$ 256,844</b>		
<b>Total Payments</b> (jurisdictional amounts are less legal fees)		<b>\$ 197,966,841</b>	<b>\$ 166,663,010</b>	<b>\$ 144,989,796</b>	<b>\$ 9,416,459</b>	<b>\$ 8,586,513</b>	<b>\$ 1,188,580</b>		
<b>Allocation Factors</b>									
<b>Average 1998 to 2008</b>		<b>Total</b>	<b>NSPM</b>	<b>NSPW</b>					
Interchange Agreement - 36 Mo CP Demand		100.0000%	84.5711%	15.4289%					
NSPM Jurisdictional Allocation - 12 CP Demand		<b>NSPM</b>	<b>Minnesota Retail</b>	<b>North Dakota Retail</b>	<b>South Dakota Retail</b>	<b>Wholesale</b>			
		100.0000%	87.9422%	5.8629%	5.0687%	1.1262%			
Composite NSPM Demand Including Interchange Agreement	<i>Row 1</i>	<b>84.5711%</b>	<b>74.3737%</b>	<b>4.9583%</b>	<b>4.2867%</b>	<b>0.9524%</b>			
<b>Average 2009 and 2010</b>		<b>Total</b>	<b>NSPM</b>	<b>NSPW</b>					
Interchange Agreement - 36 Mo CP Demand		100.0000%	83.7626%	16.2375%					
NSPM Jurisdictional Allocation - 12 CP Demand		<b>NSPM</b>	<b>Minnesota Retail</b>	<b>North Dakota Retail</b>	<b>South Dakota Retail</b>	<b>Wholesale</b>			
		100.0000%	87.5288%	5.6262%	5.4596%	1.3855%			
Composite NSPM Demand Including Interchange Agreement	<i>Row 2</i>	<b>83.7626%</b>	<b>73.3164%</b>	<b>4.7126%</b>	<b>4.5731%</b>	<b>1.1605%</b>			
<b>2011 Budget</b>		<b>Total</b>	<b>NSPM</b>	<b>NSPW</b>					
Interchange Agreement - 36 Mo CP Demand		100.0000%	83.8019%	16.1981%					
NSPM Jurisdictional Allocation - 12 CP Demand		<b>NSPM</b>	<b>Minnesota Retail</b>	<b>North Dakota Retail</b>	<b>South Dakota Retail</b>	<b>Wholesale</b>			
		100.0000%	88.4924%	5.8107%	5.5779%	0.1190%			
Composite NSPM Demand Including Interchange Agreement	<i>Row 3</i>	<b>83.8019%</b>	<b>74.1583%</b>	<b>4.8695%</b>	<b>4.6744%</b>	<b>0.0997%</b>			

## Notes:

(1) Actual Litigation costs were allocated between NSPM and NSPW as well as NSPM jurisdictions based on actual demand allocators for each individual year.

NSPM Retail legal fees are through 2005.

North Dakota Retail legal fees are through 2007.

South Dakota Retail legal fees are through 2008.

(See Attachment D for yearly detail on legal fees by jurisdiction)