

Property Taxes

Rate Base

Plant Investment BOY
 Plant Investment EOY
 Depreciation Reserve BOY
 Depreciation Reserve EOY
 C.W.I.P. BOY
 C.W.I.P. EOY
 Accumulated Deferred Taxes BOY
 Accumulated Deferred Taxes EOY
 Materials & Supplies BOY
 Materials & Supplies EOY
 Fuel Inventory BOY
 Fuel Inventory EOY
 Non-Plant Assets & Liab BOY
 Non-Plant Assets & Liab EOY
 Prepays & Other BOY
 Prepays & Other EOY

Statement of Income

Operating Expenses:
 Fuel & Purchased Energy Annual
 Power Production Annual
 Transmission Annual
 Distribution Annual
 Customer Accounting Annual
 Customer Service & Information Annual
 Sales, Econ Dvlp & Other Annual
 Administrative & General Annual

Depreciation Annual
 Amortization Annual

Taxes:
 Property Annual
 Gross Earnings Tax Annual
 Deferred Income Tax & ITC Annual
 Payroll & other Annual

AFUDC Annual

Juris Income Tax

Tax Additions:
 Nuclear Fuel Burn (ex D&D) Annual
 Nuclear Outage Accounting Annual
 Avoided Tax Interest Annual
 Open Annual
 Open Annual
 Open Annual
 Open Annual
 Open Annual
 Other Book Additions Annual

Tax Deductions:
 Tax Depreciation & Removal Annual
 Manufacture Production Deduction Annual
 Open Annual
 Open Annual
 Open Annual
 Other Tax/Book Timing Differences Annual

	Period	Mn Co Electric												Mn Co Gas		Jur Electric				Jur Gas	
		Production				Transmission				Distribution				MN	ND	MN	ND	SD	Whls	MN	ND
		MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	MN	ND	SD	Whls	MN	ND
Total Operating Expenses:	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Taxes:	Annual	48,781	48,781	48,781	48,781	27,491	27,491	27,491	27,491	47,317	47,317	47,317	47,317	15,792	15,792	111,919	5,881	5,701	88	14,887	906
Total Tax Additions	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tax Deductions	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2011 Actual Property Taxes

	<-----2011 Property Taxes Total----->				<-----Jurisdiction Total----->					
	2011	2011	2011	2011	2011	2011	2011	2011	2011	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	
	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	Wholesale	TOTAL	
Electric										
Production	47,491,117	0	709,269	48,200,386	42,590,873	2,772,052	2,781,741	55,720	48,200,386	
Transmission	26,097,636	359,221	918,746	27,375,602	24,189,657	1,574,398	1,579,901	31,646	27,375,602	
Distribution	44,232,988	1,487,001	1,293,663	47,013,652	44,232,988	1,487,001	1,293,663	0	47,013,652	
Common	1,000,000	0	(65)	999,935	905,511	47,582	46,129	713	999,935	
Total Electric	118,821,740	1,846,222	2,921,613	123,589,575	111,919,029	5,881,034	5,701,434	88,078	123,589,575	
Gas										
Production	1,307,595	13,001	0	1,320,595	1,181,123	139,472	0	0	1,320,595	
Transmission	954,916	28,000	0	982,915	954,916	28,000	0	0	982,915	
Distribution	12,675,420	733,000	0	13,408,420	12,675,420	733,000	0	0	13,408,420	
Common	0	80,000	(63)	79,937	75,356	4,581	0	0	79,937	
Total Gas	14,937,930	854,000	(63)	15,791,867	14,886,815	905,053	0	0	15,791,867	
Total Operating	133,759,671	2,700,222	2,921,550	139,381,442	126,805,844	6,786,086	5,701,434	88,078	139,381,442	
								Non-Utility Not Icluded	64,431	

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Comparison of Final Accrual 2010 Property taxes to Pay 2011 and
Accrual of 2011 for Pay 2012 Property Taxes

	<-----2010 Accrual payable in 2011----->				<-----2010 Actual Taxes Paid in 2011----->				<-----2011 Accrual payable in 2012----->				<-----2011 Property Taxes Total----->			
	2010	2010	2010	2010	2010	2010	2010	2010	2011	2011	2011	2011	2011	2011	2011	2011
	Accrual	Accrual	Accrual	Accrual	Actual	Actual	Actual	Actual	Accrual	Accrual	Accrual	Accrual	Total	Total	Total	Total
Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	TOTAL	
Electric																
Production	43,789,302	0	999,100	44,788,402	43,150,419	0	896,369	44,046,788	48,130,000	0	812,000	48,942,000	47,491,117	0	709,269	48,200,386
Transmission	24,356,812	410,065	918,200	25,685,077	24,001,448	410,286	963,946	25,375,679	26,453,000	359,000	873,000	27,685,000	26,097,636	359,221	918,746	27,375,602
Distribution	41,810,436	1,612,752	1,682,700	45,105,888	41,200,424	1,612,753	1,561,363	44,374,540	44,843,000	1,487,000	1,415,000	47,745,000	44,232,988	1,487,001	1,293,663	47,013,652
Total Electric	109,956,550	2,022,817	3,600,000	115,579,367	108,352,290	2,023,039	3,421,678	113,797,007	119,426,000	1,846,000	3,100,000	124,372,000	117,821,740	1,846,222	2,921,678	122,589,640
Gas																
Production	1,212,223	15,237	0	1,227,460	1,214,817	15,237	0	1,230,054	1,305,000	13,000	0	1,318,000	1,307,595	13,000	0	1,320,594
Transmission	895,058	32,208	0	927,266	896,974	32,208	0	929,182	953,000	28,000	0	981,000	954,916	28,000	0	982,915
Distribution	11,876,169	928,071	0	12,804,240	11,901,589	928,071	0	12,829,660	12,650,000	733,000	0	13,383,000	12,675,420	733,000	0	13,408,420
Total Gas	13,983,450	975,516	0	14,958,966	14,013,380	975,515	0	14,988,895	14,908,000	774,000	0	15,682,000	14,937,930	773,999	0	15,711,929
Common																
Non - Utility	60,000	0	0	60,000	58,431	0	0	58,431	66,000	0	0	66,000	64,431	0	0	64,431
Gen Off #7045	400,000	0	0	400,000	400,000	0	0	400,000	400,000	0	0	400,000	400,000	0	0	400,000
Bal of Comm	600,000	83,073	0	683,073	600,000	83,073	0	683,073	600,000	80,000	0	680,000	600,000	80,000	0	680,000
	1,060,000	83,073	0	1,143,073	1,058,431	83,073	0	1,141,504	1,066,000	80,000	0	1,146,000	1,064,431	80,000	0	1,144,431
Total Operating	125,000,000	3,081,406	3,600,000	131,681,406	123,424,102	3,081,626	3,421,678	129,927,406	135,400,000	2,700,000	3,100,000	141,200,000	133,824,102	2,700,220	2,921,678	139,446,000

2011 Actual Property Taxes

Total Company

2 Factor - Common MN Allocator				
	58.0600%	11.5600%	30.3800%	100.0000%
	Production	Transmission	Distribution	Total
2011 Year End to Sub BU				
ELECTRIC				
Common	580,562	115,592	303,780	999,935
Production	48,200,386			48,200,386
Transmission		27,375,602		27,375,602
Distribution			47,013,652	47,013,652
Total	48,780,948	27,491,195	47,317,433	123,589,575

MN Jurisdiction

2 Factor - Common MN Allocator				
	58.0600%	11.5600%	30.3800%	100.0000%
	Production	Transmission	Distribution	Total
2011 Year End to Sub BU				
ELECTRIC				
Common	525,740	104,677	275,094	905,511
Production	42,590,873			42,590,873
Transmission		24,189,657		24,189,657
Distribution			44,232,988	44,232,988
Total	43,116,613	24,294,334	44,508,083	111,919,029

SD Jurisdiction

2 Factor - Common MN Allocator				
	58.0600%	11.5600%	30.3800%	100.0000%
	Production	Transmission	Distribution	Total
2011 Year End to Sub BU				
ELECTRIC				
Common	26,782	5,333	14,014	46,129
Production	2,781,741			2,781,741
Transmission		1,579,901		1,579,901
Distribution			1,293,663	1,293,663
Total	2,808,523	1,585,233	1,307,677	5,701,434

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March 12, 2012

From: Sackitey MateKole, Tax Services

To: Shari Cardille

File

2010 Taxes for Shari.X <-----2010 Accrual Payable in 2011----->					<-----2010 Actual Taxes Paid in 2011----->			
	2010	2010	2010	2010	2010	2010	2010	2010
	Accrual	Accrual	Accrual	Accrual	Actual	Actual	Actual	Actual
	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	TOTAL
Electric								
Production	43,789,302	0	999,100	44,788,402	43,150,419	0	896,369	44,046,788
Transmission	24,356,812	410,065	918,200	25,685,077	24,001,448	410,286	963,946	25,375,679
Distribution	41,810,436	1,612,752	1,682,700	45,105,888	41,200,424	1,612,753	1,561,363	44,374,540
Total Electric	109,956,550	2,022,817	3,600,000	115,579,367	108,352,290	2,023,039	3,421,678	113,797,007
Gas								
Production	1,212,223	15,237	0	1,227,460	1,214,817	15,237	0	1,230,054
Transmission	895,058	32,208	0	927,266	896,974	32,208	0	929,182
Distribution	11,876,169	928,071	0	12,804,240	11,901,589	928,071	0	12,829,660
Total Gas	13,983,450	975,516	0	14,958,966	14,013,380	975,515	0	14,988,895
Common								
Non-Utility	60,000			60,000	58,431			58,431
Gen Off #7045	400,000			400,000	400,000			400,000
Bal of Comm	600,000	83,073	0	683,073	600,000	83,073	0	683,073
	1,060,000	83,073	0	1,143,073	1,058,431	83,073	0	1,141,504
TOTAL	125,000,000	3,081,406	3,600,000	131,681,406	123,424,102	3,081,626	3,421,678	129,927,406

<-----2011 Accrual Payable in 2012----->

	2011	2011	2011	2011
	Accrual	Accrual	Accrual	Accrual
	Minn	No Dak	So Dak	TOTAL
Electric				
Production	48,130,000	0	812,000	48,942,000
Transmission	26,453,000	359,000	873,000	27,685,000
Distribution	44,843,000	1,487,000	1,415,000	47,745,000
Total Electric	119,426,000	1,846,000	3,100,000	124,372,000
Gas				
Production	1,305,000	13,000	0	1,318,000
Transmission	953,000	28,000	0	981,000
Distribution	12,650,000	733,000	0	13,383,000
Total Gas	14,908,000	774,000	0	15,682,000
Common				
Non-Utility	66,000			66,000
Gen Off #7045	400,000			400,000
Bal of Comm	600,000	80,000	0	680,000
	1,066,000	80,000	0	1,146,000
TOTAL	135,400,000	2,700,000	3,100,000	141,200,000