

**2011 Employee Expense Redux**

Template V1.2

**Rate Base**

**Statement of Income**

Operating Expenses:

	Period	Mn Co Electric												Jur Electric			
		Production				Transmission				Distribution				MN	ND	SD	Whls
		MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls				
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	(74)	(74)	(74)	(74)	(15)	(15)	(15)	(15)	(39)	(39)	(39)	(39)	(112)	(8)	(7)	0
<b>Total Operating Expenses:</b>	<b>Annual</b>	<b>(74)</b>	<b>(74)</b>	<b>(74)</b>	<b>(74)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(39)</b>	<b>(39)</b>	<b>(39)</b>	<b>(39)</b>	<b>(112)</b>	<b>(8)</b>	<b>(7)</b>	<b>0</b>

Depreciation	Annual																
Amortization	Annual																

Taxes:

Property	Annual																
Gross Earnings Tax	Annual																
Deferred Income Tax & ITC	Annual																
Payroll & other	Annual																
<b>Total Taxes:</b>	<b>Annual</b>	<b>0</b>															

AFUDC	Annual																
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**Juris Income Tax**

**Jurisdiction Cash Working Capital**

PF 39-1

**2011 Employee Expense Adjustment  
Adjustment To A&G**

Electric	Total	MN	ND	SD	Whlsl
Key word search	(127,487)	(112,397)	(7,537)	(7,451)	(103)
Employee Expense Adjustment	(127,487)	(112,397)	(7,537)	(7,451)	(103)
	ETwoFactorAlloc	88.1631%	5.9119%	5.8445%	0.0805%
P	58.06%	(74,019)			
T	11.56%	(14,738)			
D	30.38%	(38,731)			
		(127,487)			

Based on detailed analysis of the 2011 Actual ConCur Employee expense transactions

PF39-2

## XES + NSPM 2011 Concur Key Word Search Results

Keyword	Total Amount	NSPM Total Amount	NSPM Electric Utility Amount
Alcohol	45,044	29,276	27,573
Baby	1,302	904	831
Birthday	8,119	4,229	3,812
Bowl	5,122	4,591	4,230
Casino	1,425	1,044	1,024
Chamber	12,369	10,474	9,523
Christmas	1,370	1,073	1,041
Club	2,455	1,225	1,126
Cocktails	1,792	711	636
Commission	10,006	7,388	6,983
Concert	152	152	123
Contribution	13,327	5,290	4,864
Coors Field	87	41	38
Drinks	639	449	407
Election	105	105	100
Entertainment	300	105	97
Face Plant	531	187	172
Fish	141	141	113
Gala	211	155	143
Game	360	174	163
Get Together	535	234	215
Golf	1,972	1,398	1,279
Hockey	604	261	235
Holiday	30,891	19,103	17,599
Hooters	776	776	650
Hunt	33	33	33
Keystone	1,592	624	573
Legislative	15,850	9,258	8,518
Liquor	11	4	4
Lobby	67	67	61
Open	67	67	53
Party	3,680	1,907	1,647
Pepsi	4,859	1,955	1,795
Political	279	186	175
Resort	8,222	6,131	6,028
Retreat	1,838	1,228	1,177
Rockies	745	308	274
Rotary	1,852	1,852	1,696
Shower	272	109	99
Spa	22	9	8
Spouse	9,473	7,286	7,185
Timberwolves	24	24	22
Twins	7,499	6,986	6,804
Vikings	106	106	85
WCHA	11	11	9
Wedding	325	266	182
Wild	10,310	8,204	7,698
XMAS	648	368	347
Yacht	42	42	37
<b>TOTAL</b>	<b>207,459</b>	<b>136,514</b>	<b>127,487</b>

Adjustment Purpose

Adjustment decreases the test year level of employee expenses based upon study of 2011 Actuals. Study identifies employee expenses that should be shareholder responsibility based on key word search and other parameters.

PF 39-4