

2011SD Pension Adjustment

	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					
<b>Rate Base</b>																		
<b>Statement of Income</b>																		
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			7,608				990				2,780					677	
<b>Total Operating Expenses:</b>	Annual	0	0	7,608	0	0	0	990	0	0	0	2,780	0	0	0	677	0	0
Depreciation	Annual																	
Amortization	Annual																	
Taxes:																		
Property	Annual																	
Gross Earnings Tax	Annual																	
Deferred Income Tax & ITC	Annual																	
Payroll & other	Annual																	
<b>Total Taxes:</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AFUDC	Annual																	
<b>Juris Income Tax</b>																		
<b>Jurisdiction Cash Working Capital</b>																		
Fuel Expenses																		
<b>Total Fuel Expenses</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchased Power																		
<b>Total Purchased Power</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Labor Related																		
Regular Payroll	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Incentive Compensation	Annual		0	0	0		0	0	0		0	0	0		0	0	0	0
Pension & Benefits	Annual			7,608				990				2,780					677	
<b>Total Labor &amp; Related</b>	Annual	0	0	7,608	0	0	0	990	0	0	0	2,780	0	0	0	677	0	0
Taxes																		
<b>Total Taxes</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail Revenues																		
<b>Total Retail Related Revenues</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Revenues																		
<b>Total Other Operating Revenues</b>	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Hash Total - - 30,432 - - - 3,960 - - - 11,120 - - - 2,708 -

PF40-1

**Benefit Costs**

**NSPM Electric O&M**

<u>Total Company</u>	FERC	2012	2011	2012 - 2011
<b>Pension</b>				
Qualified Pension	926	27,611,997	14,050,084	13,561,913
Nonqualified Pension	926	1,599,031	1,620,098	(21,068)
<b>Total Pension</b>		29,211,028	15,670,182	13,540,846
<b>Insurance</b>				
FAS 106 Retiree Medical	926	6,923,423	6,464,635	458,788
FAS 112 LTD (long-term disability)	926	1,043,595	1,232,511	(188,916)
<b>Total Insurance</b>		7,967,018	7,697,147	269,872
<b>Total Pension &amp; Insurance FERC 926</b>	926	37,178,046	23,367,329	<b>13,810,717</b>
FAS 112 Workers Compensation	925	2,700,491	3,472,472	(771,981)
<b>Total Pension &amp; Insurance FERC 925</b>		2,700,491	3,472,472	<b>(771,981)</b>

	FERC 925	IA Allocation	After IA Allocation	FERC 925	IA Allocation	After IA Allocation
Production	(521,705)	83.8019%	(437,199)	9,599,830	83.8019%	8,044,840
Transmission	(57,976)	83.8019%	(48,585)	1,238,821	83.8019%	1,038,156
Distribution	(192,300)	100.0000%	(192,300)	2,972,066	100.0000%	2,972,066
<b>Total Company After IA by FERC</b>	<b>(771,981)</b>		<b>(678,084)</b>	<b>13,810,717</b>		<b>12,055,062</b>

<u>Jurisdiction</u>	Total	MN	ND	SD	Whls
<b>Total FERC 925 After IA Allocation</b>					
Jurisdiction Allocation Factor	100.000%	87.900%	5.970%	6.050%	0.080%
<b>Total FERC 925 Adjustment</b>	<b>(678,084)</b>	<b>(596,036)</b>	<b>(40,482)</b>	<b>(41,024)</b>	<b>(542)</b>
<b>Total FERC 926 After IA Allocation</b>					
Jurisdiction Allocation Factor	100.000%	88.000%	5.950%	5.960%	0.090%
<b>Total FERC 925 Adjustment</b>	<b>12,055,062</b>	<b>10,608,454</b>	<b>717,276</b>	<b>718,482</b>	<b>10,850</b>
<b>Total Pension &amp; Insurance Adjustment</b>	<b>11,376,978</b>	<b>10,012,419</b>	<b>676,795</b>	<b>677,458</b>	<b>10,307</b>

**Allocation Factors**

Electric Jurisdictional Splits

	FERC 925	FERC 926
Elec MN	87.900%	88.000%
Elec ND	5.970%	5.950%
Elec SD	6.050%	5.960%
Elec Whls	0.080%	0.090%
Total NSPM	100.0%	100.0%

**PTD**

	Total	Production	Transmission	Distribution
FEARC 925 PTD ALLOCATOR	100.0000%	67.5800%	7.5100%	24.9100%
FEARC 926 PTD ALLOCATOR	100.0000%	69.5100%	8.9700%	21.5200%

	MN	WI	Total
36 mth Interchange Demand Allocator	83.8019%	16.1981%	100.0000%

## Benefit Costs

### NSPM Electric O&M

	<u>2012</u>	<u>2011</u>	<u>2012 - 2011</u>
<b>Pension</b>			
401K Match	8,065,991	8,335,273	(269,282)
Qualified Pension	27,611,997	14,050,084	13,561,913
Nonqualified Pension	1,599,031	1,620,098	(21,068)
Deferred Compensation Plan	43,586	39,731	3,855
NMC Employer Retirement Contribution	671,529	642,479	29,050
Retirement & Compensation Consulting	617,326	634,256	(16,930)
Pension payment adjustments	2,726,791	1,960	2,724,831
<b>Total Pension</b>	<b>41,336,250</b>	<b>25,323,881</b>	<b>16,012,369</b>
<b>Insurance</b>			
Active Health Care	42,526,897	37,540,891	4,986,005
FAS 106 Retiree Medical	6,923,423	6,464,635	458,788
FAS 112 LTD (long-term disability)	1,043,595	1,232,511	(188,916)
<b>Total Insurance</b>	<b>50,493,915</b>	<b>45,238,038</b>	<b>5,255,877</b>
<b>Total Pension &amp; Insurance</b>	<b>91,830,165</b>	<b>70,561,919</b>	<b>21,268,246</b>
<b>FAS 112 Workers Compensation</b>	<b>2,700,491</b>	<b>3,472,472</b>	<b>(771,981)</b>

## 2011 Actual O&M Expenses - FERC 925 and 926 Labor

### FERC 925

Jurisdictional Allocator	Total NSPM	Minnesota	North Dakota	South Dakota	Wholesale	Check
2011 Actual Expenses	3,471,868	3,051,866	207,241	209,960	2,801	0
<b>2011 % of Total</b>		<b>87.90%</b>	<b>5.97%</b>	<b>6.05%</b>	<b>0.08%</b>	<b>100.00%</b>

  

PTD Allocator	Total NSPM	P	T	D	Check
2011 Actual Expenses	3,471,868	2,346,344	260,748	864,776	0
<b>2011 % PTD</b>		<b>67.58%</b>	<b>7.51%</b>	<b>24.91%</b>	<b>100.00%</b>

### FERC 926

	Total NSPM	Minnesota	North Dakota	South Dakota	Wholesale	Check
2011 Actual Expenses	70,561,885	62,095,664	4,200,888	4,202,981	62,352	0
<b>2011 % of Total</b>		<b>88.00%</b>	<b>5.95%</b>	<b>5.96%</b>	<b>0.09%</b>	<b>100.00%</b>

  

PTD Allocator	Total NSPM	P	T	D	Check
2011 Actual Expenses	70,561,885	49,049,783	6,326,580	15,185,523	-1
<b>2011 % PTD</b>		<b>69.51%</b>	<b>8.97%</b>	<b>21.52%</b>	<b>100.00%</b>

	MN	WI	
2011 36 mth Interchange Demand Allocator	83.8019%	16.1981%	100.0000%

Notes:

Rounding adjustment included in MN Jurisdiction  
 Original 2012 Budget with new contingency allocators

**NSPM  
FERC 925 data  
Data Comparisons for Contingency Rate Case**

	<b>NSPM Elec O&amp;M</b>	
	<b>Updated 2012 (from May forecast)</b>	<b>2011 Actual</b>
<b>FERC 925</b>		
Workers Compensation-FAS 112	326,316	304,295
Workers Compensation-insurance premiums & other	2,374,175	3,168,177
<b>Amount in NSPM Electric O&amp;M FERC 925</b>	<b>2,700,491</b>	<b>3,472,472</b>

**Using FAS estimates received on:**  
FAS 112 WC

1/31/2012

	<u>2012 fcst</u>
Insurance Premiums	2,960,428
Special Comp Fund Assessment, other policy surplus distribution	209,826
	<u>(796,079)</u>
	2,374,175