

<u>NSPM Operating Company</u>						
	2011	2012	2013	Three Year Avg	2014 Budget	2015 Budget
Incremental O&M Expenses						
Trading	\$ 310,420	\$ 365,231	\$ 376,554	\$ 350,735	\$ 425,220	\$ 437,323
Risk	\$ 93,579	\$ 89,919	\$ 124,614	\$ 102,704	\$ 112,249	\$ 118,160
Accounting	\$ 62,423	\$ 34,997	\$ 52,845	\$ 50,088	\$ 43,000	\$ 44,344
Total Incremental O&M Expenses	\$ 466,421	\$ 490,147	\$ 554,014	\$ 503,527	\$ 580,469	\$ 599,827
NSPM Non-Asset Based Margins	\$ 4,621,823	\$ 5,203,065	\$ 2,847,164	\$ 4,224,017	\$ 5,287,814	\$ 5,316,749
30% Customer Share of Non-Asset Based Margins	\$ 1,386,547	\$ 1,560,920	\$ 854,149	\$ 1,267,205	\$ 1,586,344	\$ 1,595,025

<u>State of SD Jurisdictional Amounts</u>						
Energy SD Jurisdictional Allocator	5.6539%	5.8130%	5.8439%		5.9043%	6.0109%
SD JUR Incremental O&M Expenses	\$ 26,371	\$ 28,492	\$ 32,376	\$ 29,080	\$ 34,273	\$ 36,055
SD Share of Non-Asset Margins @ 30%	\$ 78,394	\$ 90,736	\$ 49,916	\$ 73,015	\$ 93,663	\$ 95,875
Difference	\$ 52,023	\$ 62,244	\$ 17,540	\$ 43,936	\$ 59,390	\$ 59,820

Notes:

Actual 2014 and 2015 margins could vary from the project amounts provided. Non-asset margins are extremely difficult to project as they are based on the Company's opportunity to purchase power and resell that same energy at higher prices - only when arbitrage opportunities exist are non-asset based transactions made. Market conditions are dynamic and constantly changing. Other considerations that have affected non-asset margins are MISO after the fact settlements.

NSPM Operating Company						
	2011	2012	2013	Three Year Avg	2014 Budget	2015 Budget
O&M Expenses						
Trading	\$ 560,451	\$ 773,176	\$ 737,274	\$ 690,300	\$ 824,162	\$ 838,251
Risk	\$ 150,309	\$ 159,852	\$ 207,912	\$ 172,691	\$ 186,937	\$ 194,202
Accounting	\$ 100,955	\$ 59,675	\$ 79,227	\$ 79,952	\$ 67,706	\$ 69,055
Direct Allocated O&M Subtotal	\$ 811,715	\$ 992,704	\$ 1,024,413	\$ 942,944	\$ 1,078,805	\$ 1,101,507
Indirect Labor Overhead	\$ 83,002	\$ 98,689	\$ 100,819	\$ 94,170	\$ 108,964	\$ 111,404
Fully Embedded O&M Expenses	\$ 894,717	\$ 1,091,393	\$ 1,125,232	\$ 1,037,114	\$ 1,187,770	\$ 1,212,911
IT Systems Costs						
IT O&M Costs*	\$ 4,108	\$ 4,108	\$ 4,108	\$ 4,108	\$ 4,108	\$ 4,108
Rate Base*	\$ 13,319	\$ 13,319	\$ 13,319	\$ 13,319	\$ 13,319	\$ 13,319
Fully Embedded Cost (total NSPM Rev Req)	\$ 912,144	\$ 1,108,820	\$ 1,142,659	\$ 1,054,541	\$ 1,205,197	\$ 1,230,338
Non-Asset Based Margins	\$ 4,621,823	\$ 5,203,065	\$ 2,847,164	\$ 4,224,017	\$ 5,287,814	\$ 5,316,749
30% Customer Share of Non-Asset Based Margins	\$ 1,386,547	\$ 1,560,920	\$ 854,149	\$ 1,267,205	\$ 1,586,344	\$ 1,595,025

* 2013 actuals used as a proxy for other years

State of SD Jurisdictional Amounts	2011	2012	2013	Three Year Avg	2014 Budget	2015 Budget
Energy SD Jurisdictional Allocator	5.6539%	5.8130%	5.8439%		5.9043%	6.0109%
SD JUR Fully Embedded Cost (Rev Req)	\$ 51,572	\$ 64,456	\$ 66,776	\$ 60,934	\$ 71,158	\$ 73,954
SD Share of Non-Asset Based Margins @ 30%	\$ 78,394	\$ 90,736	\$ 49,916	\$ 73,015	\$ 93,663	\$ 95,875
Difference	\$ 26,822	\$ 26,281	\$ (16,860)	\$ 12,081	\$ 22,504	\$ 21,921

Notes:

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