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Line No.	10 Bridge Schedule by Adjustment Detail	NSPM-K&M- Property Taxes 2015	NSPM-K&M- Property Taxes 2015
1	<u>Composite Income Tax Rate</u>		
2	<u>Federal Effective Tax Rate</u>	35.00%	35.00%
3	Revenue Conversion Factor (1/(1-Composite	1.538462	1.538462
4			
5	<u>Required Rate of Return</u>	7.84%	7.84%
6			
7	<u>Rate Base</u>		
8	Plant Investment		
9	<u>Depreciation Reserve</u>		
10	Net Utility Plant		
11			
12	Accumulated Deferred Taxes		
13	Total Accum Deferred Taxes		
14			
15			
16	<u>Total Rate Base</u>		
17			
18	<u>Operating Revenues</u>		
19	Retail		
20	Interdepartmental		
21	<u>Other Operating Rev - Non-Retail</u>	2,021,837	123,494
22	<u>Total Operating Revenues</u>	2,021,837	123,494
23			
24	<u>Expenses</u>		
25	Operating Expenses:		
26	Customer Accounting		
27	Customer Service & Information		
28	Sales, Econ Dvlp & Other		
29	<u>Administrative & General</u>		
30	<u>Total Operating Expenses</u>		
31			
32	Depreciation		
33	Amortization		
34			
35	<u>Taxes:</u>		
36	Property Taxes	15,407,000	816,823
37	ITC Amortization		
38	Deferred Taxes		
39	Less Deferred State Tax Credits		
40	<u>Less Deferred Federal Tax Credits</u>		
41	Deferred Income Tax & ITC		
42	Payroll & Other Taxes		
43	<u>Total Taxes Other Than Income</u>	15,407,000	816,823
44			
45	<u>Income Before Taxes</u>		
46	Total Operating Revenues	2,021,837	123,494
47	less: Total Operating Expenses		
48	Book Depreciation		
49	Amortization		
50	<u>Taxes Other than Income</u>	15,407,000	816,823
51	<u>Total Before Tax Book Income</u>	(13,385,163)	(693,329)
52			
53	<u>Tax Additions</u>		
54	Book Depreciation		
55	Deferred Income Taxes and ITC		
56	Nuclear Fuel Burn (ex. D&D)		
57	Nuclear Outage Accounting		
58	Avoided Tax Interest		
59	<u>Other Book Additions</u>		
60	<u>Total Tax Additions</u>		
61			
62	<u>Tax Deductions</u>		
63	Total Rate Base		
64	Weighted Cost of Debt	2.32%	2.32%
65	Debt Interest Expense		
66	Nuclear Outage Accounting		
67	Tax Depreciation and Removals		
68	Federal Sec 199 Production Deduction		
69	<u>Other Tax / Book Timing Differences</u>		
70	<u>Total Tax Deductions</u>		

Line No.	10 Bridge Schedule by Adjustment Detail	NSPM-K&M-Property Taxes 2015	NSPM-K&M-Property Taxes 2015
71			
72	State Taxes		
73	State Taxable Income	(13,385,163)	(693,329)
74	State Income Tax Rate	-	-
75	State Taxes before Credits	(1,202,400)	-
76	<u>Less State Tax Credits</u>	-	-
77	Total State Income Taxes	(1,202,400)	
78			
79	Federal Taxes		
80	Federal Taxable Income	(12,182,763)	(693,329)
81	Federal Income Tax Rate	35.00%	35.00%
82	Federal Tax before Credits	(4,263,967)	(242,665)
83	Less Federal Tax Credits	-	-
84	Total Federal Income Taxes	(4,263,967)	(242,665)
85			
86	Total Taxes		
87	Total Taxes Other than Income	15,407,000	816,823
88	<u>Total Federal and State Income Taxes</u>	<u>(5,466,367)</u>	<u>(242,665)</u>
89	Total Taxes	9,940,633	574,158
90			
91	Total Operating Revenues	2,021,837	123,494
92	Total Expenses	9,940,633	574,158
93			
94	Net Income	(7,918,796)	(450,664)
95			
96	Rate of Return (ROR)		
97	Total Operating Income	(7,918,796)	(450,664)
98	<u>Total Rate Base</u>	-	-
99	ROR (Operating Income / Rate Base)		
100			
101	Return on Equity (ROE)		
102	Net Operating Income	(7,918,796)	(450,664)
103	Debt Interest (Rate Base * Weighted Cost of C		
104	Earnings Available for Common	(7,918,796)	(450,664)
105	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-	-
106	ROE (earnings for Common / Equity)		
107			
108	Revenue Deficiency		
109	Required Operating Income (Rate Base * Req		
110	<u>Net Operating Income</u>	<u>(7,918,796)</u>	<u>(450,664)</u>
111	Operating Income Deficiency	7,918,796	450,664
112			
113	<u>Revenue Conversion Factor (1/(1-Composite</u>	<u>1.538462</u>	<u>1.538462</u>
114	Revenue Deficiency (Income Deficiency * C	13,385,169	693,329
115			
116	Total Revenue Requirements		
117	Total Retail Revenues		
118	<u>Revenue Deficiency</u>	<u>13,385,169</u>	<u>693,329</u>
119	Total Revenue Requirements	13,385,169	693,329
120			
121	Required Rate of Return, Last Authorized	7.78%	7.78%
122	Revenue Deficiency at Last Authorized	13,385,169	693,329
123	Total Revenue Requirements at Last Authorize	13,385,169	693,329
124			
125	Difference in Deficiency from Last Authorized		

2015 over 2014 Forecast Property Taxes

	← 2015 over 2014 Property Taxes Total →				← Jurisdiction Total →				SD St * IA Alloc	
	2015/2014 Total Minn	2015/2014 Total No Dak	2015/2014 Total So Dak	2015/2014 Total TOTAL	2015/2014 Total Minn	2015/2014 Total No Dak	2015/2014 Total So Dak	2015/2014 Total Wholesale	2015/2014 Total TOTAL	2015/2014 Total MN St Net of IA (2)
Electric										10
Production	5,788,000	0	0	5,788,000	5,081,835	352,634	353,531	0	5,788,000	300,081
Transmission	7,545,000	40,000	0	7,585,000	6,659,592	462,116	463,292	0	7,585,000	393,248
Distribution	1,940,000	94,000	0	2,034,000	1,940,000	94,000	0	0	2,034,000	0
Common	0	0	0	0	0	0	0	0	0	0
Total Electric	15,273,000	134,000	0	15,407,000	13,681,427	908,750	816,823	0	15,407,000	693,329
Gas										
Production	(20,000)	1,000	0	(19,000)	(16,877)	(2,123)	0	0	(19,000)	
Transmission	(30,000)	2,000	0	(28,000)	(30,000)	2,000	0	0	(28,000)	
Distribution	(23,000)	63,000	0	40,000	(23,000)	63,000	0	0	40,000	
Common	0	0	0	0	0	0	0	0	0	
Total Gas	(73,000)	66,000	0	(7,000)	(69,877)	62,877	0	0	(7,000)	
Total Operating	15,200,000	200,000	0	15,400,000	13,611,550	971,627	816,823	0	15,400,000	

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2015 Forecast Property Taxes

	<-----2015 Property Taxes Total----->				<-----Jurisdiction Total----->				
	2015	2015	2015	2015	2015	2015	2015	2015	2015
	Total	Total	Total	Total	Total	Total	Total	Total	Total
	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	Wholesale	TOTAL
Electric									
Production	108,041,000	0	785,000	108,826,000	95,548,684	6,630,224	6,647,092	0	108,826,000
Transmission	40,482,000	632,000	947,000	42,061,000	36,929,348	2,562,566	2,569,086	0	42,061,000
Distribution	49,887,000	1,526,000	1,568,000	52,981,000	49,887,000	1,526,000	1,568,000	0	52,981,000
Common	0	0	0	0	0	0	0	0	0
Total Electric	198,410,000	2,158,000	3,300,000	203,868,000	182,365,032	10,718,790	10,784,178	0	203,868,000
Gas									
Production	1,168,000	14,000	0	1,182,000	1,049,956	132,044	0	0	1,182,000
Transmission	1,179,000	32,000	0	1,211,000	1,179,000	32,000	0	0	1,211,000
Distribution	14,143,000	996,000	0	15,139,000	14,143,000	996,000	0	0	15,139,000
Common	0	0	0	0	0	0	0	0	0
Total Gas	16,490,000	1,042,000	0	17,532,000	16,371,956	1,160,044	0	0	17,532,000
Total Operating	214,900,000	3,200,000	3,300,000	221,400,000	198,736,988	11,878,834	10,784,178	0	221,400,000

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2014 Forecast Property Taxes

	<-----2014 Property Taxes Total----->				<-----Jurisdiction Total----->					
	2014	2014	2014	2014	2014	2014	2014	2014	2014	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	
	Minn	No Dak	So Dak	TOTAL	Minn	No Dak	So Dak	Wholesale	TOTAL	
Electric										
Production	102,253,000	0	785,000	103,038,000	90,466,849	6,277,590	6,293,561	0	103,038,000	
Transmission	32,937,000	592,000	947,000	34,476,000	30,269,756	2,100,450	2,105,794	0	34,476,000	
Distribution	47,947,000	1,432,000	1,568,000	50,947,000	47,947,000	1,432,000	1,568,000	0	50,947,000	
Common	0	0	0	0	0	0	0	0	0	
Total Electric	183,137,000	2,024,000	3,300,000	188,461,000	168,683,604	9,810,040	9,967,355	0	188,461,000	
Gas										
Production	1,188,000	13,000	0	1,201,000	1,069,398	131,602	0	0	1,201,000	
Transmission	1,209,000	30,000	0	1,239,000	1,209,000	30,000	0	0	1,239,000	
Distribution	14,166,000	933,000	0	15,099,000	14,166,000	933,000	0	0	15,099,000	
Common	0	0	0	0	0	0	0	0	0	
Total Gas	16,563,000	976,000	0	17,539,000	16,444,398	1,094,602	0	0	17,539,000	
Total Operating	199,700,000	3,000,000	3,300,000	206,000,000	185,128,002	10,904,642	9,967,355	0	206,000,000	

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