

**Transmission Cost Recovery**  
**TCR Tracker Account Calculation - 2007**  
**Project 3 - Fenton Wind Collector Station**  
**Transmission Subs**

State of South Dakota	Beginning Balance	Ending Balance	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
	<b>Calculation of End of Year Balances</b>														
Capital Expenditures	\$959,495	\$518,971	\$850,362	\$967,398	\$652,234	\$945,022	\$653,760	\$464,544	\$551,119	\$261,026	\$343,838	\$190,784	\$55,993	\$7,414,546	
Capital Expenditures - Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Expenditures - AFUDC	\$21,905	\$10,503	\$16,529	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,936	
Total Capital Expenditures	\$981,400	\$529,474	\$866,891	\$967,398	\$652,234	\$945,022	\$653,760	\$464,544	\$551,119	\$261,026	\$343,838	\$190,784	\$55,993	\$7,463,482	
Classification	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-7,216,705	-\$190,784	-\$55,993	-\$7,463,482	
CWIP Balance	\$981,400	\$1,510,874	\$2,377,764	\$3,345,162	\$3,997,396	\$4,942,418	\$5,596,178	\$6,060,722	\$6,611,841	\$6,872,867	\$0	\$0	\$0	\$0	
EOY Plant In Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,216,705	\$7,407,489	\$7,463,482	\$7,463,482
<b>Calculation of State of SD Retail</b>															
36 Month Coincident Peak Demand Allocator (1)	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%	84.2864%
CWIP Balance - NSP-MN Company	\$827,187	\$1,273,461	\$2,004,132	\$2,819,517	\$3,369,261	\$4,165,786	\$4,716,817	\$5,108,365	\$5,572,883	\$5,792,892	\$0	\$0	\$0	\$0	
Plant In Service - NSP-MN Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,082,701	\$6,243,506	\$6,290,700	\$6,290,700	
State of SD Retail Demand Allocator (2)	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	5.1232%	
CWIP Balance - Sr of SD Retail	\$42,378	\$65,242	\$102,676	\$144,449	\$172,614	\$213,422	\$241,652	\$261,712	\$285,510	\$296,781	\$0	\$0	\$0	\$0	
Plant In Service - Sr of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$311,629	\$319,867	\$322,285	\$322,285	
<b>Average CWIP Balance - Sr of SD Retail</b>	<b>\$42,378</b>	<b>\$53,810</b>	<b>\$83,959</b>	<b>\$123,563</b>	<b>\$158,532</b>	<b>\$193,018</b>	<b>\$227,537</b>	<b>\$251,682</b>	<b>\$273,611</b>	<b>\$291,146</b>	<b>\$148,391</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,189</b>	
<b>Calculation of Average Rate Base</b>															
Plant In Service - Sr of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$311,629	\$319,867	\$322,285	\$322,285	
Tax Depr - Monthly		-\$369	-\$581	-\$823	-\$985	-\$1,221	-\$1,384	-\$1,500	-\$1,638	-\$1,703	\$3,787	\$5,529	\$5,562	\$4,673	
Book Depr - Monthly											340	688	700	\$1,728	
Less Accumulated Book Reserve											340	1,028	1,728	\$1,728	
Timing Difference		(369)	(581)	(823)	(985)	(1,221)	(1,384)	(1,500)	(1,638)	(1,703)	3,448	4,840	4,862	\$2,945	
Deferred Tax Expense		(150)	(236)	(334)	(401)	(497)	(563)	(610)	(666)	(692)	1,402	1,968	1,977	\$1,197	
Less Accumulated Deferred Taxes	(97)	(247)	(484)	(818)	(1,219)	(1,715)	(2,278)	(2,888)	(3,554)	(4,246)	(2,845)	(877)	1,100	\$1,100	
End of Month Rate Base	\$97	247	484	818	1,219	1,715	2,278	2,888	3,554	4,246	314,134	319,716	319,457	\$319,457	
<b>Average Rate Base (BOY/EOY)</b>	<b>\$172</b>	<b>\$366</b>	<b>\$651</b>	<b>\$1,018</b>	<b>\$1,467</b>	<b>\$1,997</b>	<b>\$2,583</b>	<b>\$3,221</b>	<b>\$3,900</b>	<b>\$159,190</b>	<b>\$316,925</b>	<b>\$319,587</b>	<b>\$159,777</b>		
<b>Calculation of Return</b>															
Debt Return - CWIP			\$349	\$448	\$545	\$643	\$711	\$773	\$822	\$419	\$0	\$0	\$0	\$4,711	
Debt Return - Rate Base			\$2	\$3	\$4	\$6	\$7	\$9	\$11	\$450	\$895	\$903	\$2,290		
Equity Return - CWIP			\$633	\$812	\$989	\$1,166	\$1,290	\$1,402	\$1,492	\$761	\$0	\$0	\$8,546		
Equity Return - Rate Base			\$3	\$5	\$8	\$10	\$13	\$17	\$20	\$816	\$1,624	\$1,638	\$4,154		
<b>Total Return</b>	<b>\$0</b>	<b>\$0</b>	<b>\$987</b>	<b>\$1,268</b>	<b>\$1,546</b>	<b>\$1,825</b>	<b>\$2,021</b>	<b>\$2,201</b>	<b>\$2,346</b>	<b>\$2,445</b>	<b>\$2,520</b>	<b>\$2,541</b>	<b>\$19,700</b>		
<b>Income Statement Items</b>															
Expense Items (3)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Property Taxes			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Book Depreciation			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$340	\$688	\$700	\$1,728		
Deferred Taxes			-\$334	-\$401	-\$497	-\$563	-\$610	-\$666	-\$692	\$1,402	\$1,968	\$1,977	\$1,584		
Current Taxes - CWIP			\$341	\$437	\$533	\$628	\$695	\$755	\$803	\$410	\$0	\$0	\$4,602		
Current Taxes - Rate Base			\$265	\$318	\$394	\$448	\$487	\$532	\$555	-\$662	-\$672	-\$672	\$992		
<b>Total Income Statement Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$271</b>	<b>\$355</b>	<b>\$430</b>	<b>\$513</b>	<b>\$571</b>	<b>\$621</b>	<b>\$666</b>	<b>\$1,488</b>	<b>\$1,984</b>	<b>\$2,005</b>	<b>\$8,905</b>		
<b>Total Revenue Requirements</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,259</b>	<b>\$1,623</b>	<b>\$1,977</b>	<b>\$2,338</b>	<b>\$2,593</b>	<b>\$2,822</b>	<b>\$3,012</b>	<b>\$3,934</b>	<b>\$4,504</b>	<b>\$4,546</b>	<b>\$28,605</b>		
Less OATT Revenue Credit for Non-Retail Transmission Recovery (4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Net State of SD Revenue Requirements - Retail</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,259</b>	<b>\$1,623</b>	<b>\$1,977</b>	<b>\$2,338</b>	<b>\$2,593</b>	<b>\$2,822</b>	<b>\$3,012</b>	<b>\$3,934</b>	<b>\$4,504</b>	<b>\$4,546</b>	<b>\$28,605</b>		
Should be Equal to Equity Return Check			\$637	\$818	\$997	\$1,176	\$1,303	\$1,419	\$1,512	\$1,576	\$1,624	\$1,638	\$12,700		

**Notes:**

- (1) The 2007 budget 36 Month Coincident Peak Demand allocator is used in the Interchange Agreement to allocate demand-related costs between NSP-Minnesota Company and NSP-Wisconsin Company.
- (2) The 2007 budget 12 Month Coincident Peak Demand allocator is used to isolate the State of South Dakota jurisdictional portion from total NSP-Minnesota Company.
- (3) Recoverable expense items related to Project 3.
- (4) An OATT Revenue Credit will be applied to transmission revenue requirements to recognize revenue recovery from non-Xcel Energy sources