

Transmission Cost Recovery
TCR Tracker Account Calculation - 2007
Project 4 - Series Capacitor Station - Lakefield Jct - Wilmarth 345KV
Transmission Lines

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
Calculation of End of Year Balances															
Capital Expenditures	\$44,532	\$5,000	\$5,000	\$5,000	\$5,000	\$200,000	\$300,000	\$350,000	\$350,000	\$48,472	\$0	\$0	\$0	\$0	\$1,308,004
Capital Expenditures - Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures - AFUDC	\$977	\$339	\$377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,693
Total Capital Expenditures	\$45,509	\$5,339	\$5,377	\$5,000	\$5,000	\$200,000	\$300,000	\$350,000	\$350,000	\$48,472	\$0	\$0	\$0	\$0	\$1,309,697
Classification	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$911,225	-\$350,000	-\$48,472	\$0	\$0	\$0	\$0	-\$1,309,697
CWIP Balance	\$45,509	\$50,848	\$56,225	\$61,225	\$61,225	\$561,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EOY Plant In Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$911,225	\$1,261,225	\$1,309,697	\$1,309,697	\$1,309,697	\$1,309,697	\$1,309,697	\$1,309,697
Calculation of State of SD Retail															
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	\$38,358	\$42,858	\$47,390	\$51,604	\$51,604	\$220,177	\$473,036	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant In Service - NSP-MN Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$768,039	\$1,063,041	\$1,103,896	\$1,103,896	\$1,103,896	\$1,103,896	\$1,103,896	\$1,103,896
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%	5.1232%
CWIP Balance - Sr of SD Retail	\$1,965	\$2,196	\$2,428	\$2,644	\$2,644	\$11,280	\$24,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant In Service - Sr of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,348	\$54,462	\$56,555	\$56,555	\$56,555	\$56,555	\$56,555	\$56,555
Average CWIP Balance - Sr of SD Retail	\$1,965	\$2,080	\$2,312	\$2,536	\$2,536	\$6,962	\$17,757	\$12,117	\$0	\$0	\$0	\$0	\$0	\$0	\$983
Calculation of Average Rate Base															
Plant In Service - Sr of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,348	\$54,462	\$56,555	\$56,555	\$56,555	\$56,555	\$56,555	\$56,555
Tax Depr - Monthly		-\$12	-\$13	-\$15	-\$15	-\$40	-\$103	\$336	\$406	\$406	\$406	\$406	\$406	\$406	\$2,589
Book Depr - Monthly		-	-	-	-	-	-	48	134	137	137	137	137	137	\$843
Less Accumulated Book Reserve		-	-	-	-	-	-	48	161	295	432	569	706	843	\$843
Timing Difference		(12)	(13)	(15)	(15)	(40)	(103)	288	292	272	269	269	269	269	\$1,746
Deferred Tax Expense		(5)	(5)	(6)	(6)	(16)	(42)	117	119	110	109	109	109	109	\$710
Less Accumulated Deferred Taxes	(14)	(19)	(24)	(30)	(30)	(47)	(89)	29	147	258	367	477	586	696	\$696
End of Month Rate Base	\$14	19	24	30	30	47	89	39,272	54,153	56,002	55,755	55,509	55,263	55,016	\$55,016
Average Rate Base (BOY/EOY)		\$17	\$22	\$27	\$27	\$39	\$68	\$19,680	\$46,713	\$55,077	\$55,878	\$55,632	\$55,386	\$55,140	\$27,515
Calculation of Return															
Debr Return - CWIP				\$7	\$20	\$50	\$34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111
Debr Return - Rate Base				\$0	\$0	\$0	\$56	\$132	\$156	\$158	\$158	\$157	\$156	\$156	\$971
Equity Return - CWIP				\$13	\$36	\$91	\$62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202
Equity Return - Rate Base				\$0	\$0	\$0	\$101	\$239	\$282	\$286	\$286	\$285	\$284	\$283	\$1,761
Total Return		\$0	\$0	\$20	\$56	\$142	\$253	\$371	\$438	\$444	\$442	\$442	\$440	\$438	\$3,045
Income Statement Items															
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	\$48	\$113	\$134	\$137	\$137	\$137	\$137	\$137	\$843
Deferred Taxes				-\$6	-\$16	-\$42	-\$117	-\$119	-\$110	-\$109	-\$109	-\$109	-\$109	-\$109	-\$720
Current Taxes - CWIP				\$7	\$19	\$49	\$33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109
Current Taxes - Rate Base				\$5	\$13	\$33	-\$38	\$35	\$65	\$68	\$68	\$67	\$66	\$66	\$382
Total Income Statement Expense		\$0	\$0	\$6	\$16	\$40	\$160	\$268	\$314	\$314	\$314	\$313	\$313	\$312	\$2,054
Total Revenue Requirements		\$0	\$0	\$26	\$71	\$182	\$413	\$639	\$748	\$759	\$756	\$753	\$751	\$751	\$5,099
Less OATT Revenue Credit for Non-Retail		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Recovery (4)															
Net State of SD Retail Requirements - Retail		\$0	\$0	\$26	\$71	\$182	\$413	\$639	\$748	\$759	\$756	\$753	\$751	\$751	\$5,099
Should be Equal to Equity Return				\$13	\$36	\$91	\$163	\$239	\$282	\$286	\$286	\$285	\$284	\$283	\$1,963
Check				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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 4.
- (4) An OATT Revenue Credit will be applied to transmission revenue requirements to recognize revenue recovery from non-Xcel Energy sources