

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

State of South Dakota	Beginning	Ending Balance												Total
	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	
<b>Calculation of End of Year Balances</b>														
Capital Expenditures	\$1,310,802	\$602,000	\$354,000	\$599,000	\$493,000	\$3,182,000	\$1,390,000	\$682,000	\$60,000	\$7,000	\$8,000	\$2,000	\$0	\$8,689,802
Capital Expenditures - Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures - AFUDC	\$61,790	\$11,803	\$15,259	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,852
Total Capital Expenditures	\$1,372,591	\$613,803	\$369,259	\$599,000	\$493,000	\$3,182,000	\$1,390,000	\$682,000	\$60,000	\$7,000	\$8,000	\$2,000	\$0	\$8,778,653
Classification	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$8,701,653	-\$60,000	-\$7,000	-\$8,000	-\$2,000	\$0	-\$8,778,653
CWIP Balance	\$1,372,591	\$1,986,394	\$2,355,653	\$2,954,653	\$3,447,653	\$6,629,653	\$8,019,653	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EOY Plant In Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,701,653	\$8,761,653	\$8,768,653	\$8,776,653	\$8,778,653	\$8,778,653	\$8,778,653
<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%
CWIP Balance - NSP-MN Company	\$1,156,908	\$1,674,260	\$1,985,495	\$2,490,371	\$2,905,903	\$5,587,896	\$6,759,477	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant In Service - NSP-MN Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,334,310	\$7,384,882	\$7,390,782	\$7,397,525	\$7,399,211	\$7,399,211	\$7,399,211
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 - St of SD Retail	\$59,271	\$85,776	\$101,721	\$127,587	\$148,875	\$286,279	\$346,302	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant In Service - St of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,751	\$378,342	\$378,645	\$378,990	\$379,076	\$379,076	\$379,076
<b>Average CWIP Balance - St of SD Retail</b>	<b>\$59,271</b>	<b>\$72,523</b>	<b>\$93,748</b>	<b>\$114,654</b>	<b>\$138,231</b>	<b>\$217,577</b>	<b>\$316,290</b>	<b>\$173,151</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,635</b>
<b>Calculation of Average Rate Base</b>														
Plant In Service - St of SD Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,751	\$378,342	\$378,645	\$378,990	\$379,076	\$379,076	\$379,076
Tax Depr - Monthly		-\$416	-\$538	-\$660	-\$800	-\$1,264	-\$1,841	\$2,176	\$3,231	\$3,231	\$3,231	\$3,231	\$3,231	\$12,813
Book Depr - Monthly		-	-	-	-	-	-	822	822	822	826	826	826	\$4,535
Less Accumulated Book Reserve		-	-	-	-	-	-	410	1,232	2,057	2,883	3,709	4,535	\$4,535
Timing Difference		(416)	(538)	(660)	(800)	(1,264)	(1,841)	1,766	2,409	2,406	2,406	2,405	2,405	\$8,278
Deferred Tax Expense		(169)	(219)	(268)	(325)	(514)	(749)	718	980	978	978	978	978	\$3,365
Less Accumulated Deferred Taxes	-\$858	(1,027)	(1,246)	(1,514)	(1,839)	(2,353)	(3,102)	(2,384)	(1,404)	(426)	552	1,530	2,508	\$2,508
End of Month Rate Base	\$858	1,027	1,246	1,514	1,839	2,353	3,102	377,725	378,515	377,014	375,555	373,838	372,033	\$372,033
<b>Average Rate Base (BOY/EOY)</b>		<b>\$942</b>	<b>\$1,136</b>	<b>\$1,380</b>	<b>\$1,677</b>	<b>\$2,096</b>	<b>\$2,727</b>	<b>\$190,414</b>	<b>\$378,120</b>	<b>\$377,764</b>	<b>\$376,284</b>	<b>\$374,696</b>	<b>\$372,936</b>	<b>\$186,446</b>
<b>Calculation of Return</b>														
Debt Return - CWIP				\$324	\$391	\$615	\$894	\$489	\$0	\$0	\$0	\$0	\$0	\$2,712
Debt Return - Rate Base				\$4	\$5	\$6	\$8	\$538	\$1,068	\$1,063	\$1,063	\$1,059	\$1,054	\$5,871
Equity Return - CWIP				\$588	\$708	\$1,115	\$1,621	\$887	\$0	\$0	\$0	\$0	\$0	\$4,920
Equity Return - Rate Base				\$7	\$9	\$11	\$14	\$976	\$1,938	\$1,936	\$1,928	\$1,920	\$1,911	\$10,650
<b>Total Return</b>		<b>\$0</b>	<b>\$0</b>	<b>\$922</b>	<b>\$1,112</b>	<b>\$1,746</b>	<b>\$2,536</b>	<b>\$2,890</b>	<b>\$3,006</b>	<b>\$3,003</b>	<b>\$2,991</b>	<b>\$2,979</b>	<b>\$2,965</b>	<b>\$24,152</b>
<b>Income Statement Items</b>														
Expense Items (3)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Book Depreciation				\$0	\$0	\$0	\$0	\$410	\$822	\$825	\$826	\$826	\$826	\$4,535
Deferred Taxes				-\$268	-\$325	-\$514	-\$749	\$718	\$980	\$978	\$978	\$978	\$978	\$3,753
Current Taxes - CWIP				\$316	\$381	\$600	\$873	\$478	\$0	\$0	\$0	\$0	\$0	\$2,649
Current Taxes - Rate Base				\$215	\$260	\$410	\$596	-\$39	\$274	\$274	\$270	\$265	\$261	\$2,785
<b>Total Income Statement Expense</b>		<b>\$0</b>	<b>\$0</b>	<b>\$263</b>	<b>\$316</b>	<b>\$496</b>	<b>\$720</b>	<b>\$1,567</b>	<b>\$2,075</b>	<b>\$2,077</b>	<b>\$2,074</b>	<b>\$2,070</b>	<b>\$2,065</b>	<b>\$13,722</b>
<b>Total Revenue Requirements</b>		<b>\$0</b>	<b>\$0</b>	<b>\$1,185</b>	<b>\$1,429</b>	<b>\$2,243</b>	<b>\$3,256</b>	<b>\$4,457</b>	<b>\$5,081</b>	<b>\$5,080</b>	<b>\$5,065</b>	<b>\$5,048</b>	<b>\$5,030</b>	<b>\$37,874</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>\$1,185</b>	<b>\$1,429</b>	<b>\$2,243</b>	<b>\$3,256</b>	<b>\$4,457</b>	<b>\$5,081</b>	<b>\$5,080</b>	<b>\$5,065</b>	<b>\$5,048</b>	<b>\$5,030</b>	<b>\$37,874</b>
Should be Equal to Equity Return Check				\$595	\$717	\$1,126	\$1,635	\$1,863	\$1,938	\$1,936	\$1,928	\$1,920	\$1,911	\$15,570

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 prior year transmission revenue requirements to recognize revenue recovery from non-Xcel Energy sources  
EXH 2 Att 2 TCR Tracker Rev Req-2007a.xls / Att 2-7 Proj 4-Subs 07