

Adj Bonus Depr for latest interpretation

Template V1.2

| Period | Mn Co Electric | | | | | | | | | | | | Mn Co Gas | | Jur Electric | | | | Jur Gas | |
|-------------------------------------|----------------|-----------|-----------|-----------|--------------|----------|----------|----------|--------------|---------|---------|---------|-----------|---------|--------------|-----------|---------|---------|---------|------------|
| | Production | | | | Transmission | | | | Distribution | | | | MN | ND | MN | ND | SD | Whls | MN | ND |
| | MN | ND | SD | Whls | MN | ND | SD | Whls | MN | ND | SD | Whls | | | | | | | | |
| Rate Base | | | | | | | | | | | | | | | | | | | | |
| Plant Investment | BOY | | | | | | | | | | | | | | | | | | | |
| Plant Investment | EOY | | | | | | | | | | | | | | | | | | | |
| Depreciation Reserve | BOY | | | | | | | | | | | | | | | | | | | |
| Depreciation Reserve | EOY | | | | | | | | | | | | | | | | | | | |
| C.W.I.P. | BOY | | | | | | | | | | | | | | | | | | | |
| C.W.I.P. | EOY | | | | | | | | | | | | | | | | | | | |
| Accumulated Deferred Taxes | BOY | 0 | 0 | (29,249) | 0 | 0 | 0 | (2,860) | 0 | 0 | 0 | (876) | 0 | 0 | 0 | 0 | (1,853) | 0 | 0 | 0 |
| Accumulated Deferred Taxes | EOY | (58,499) | (58,499) | (29,249) | (58,499) | (5,721) | (5,721) | (2,860) | (5,721) | (1,751) | (1,751) | (876) | (1,751) | (507) | (507) | (57,914) | (3,824) | (1,853) | (527) | (518) 11 |
| Materials & Supplies | BOY | | | | | | | | | | | | | | | | | | | |
| Materials & Supplies | EOY | | | | | | | | | | | | | | | | | | | |
| Fuel Inventory | BOY | | | | | | | | | | | | | | | | | | | |
| Fuel Inventory | EOY | | | | | | | | | | | | | | | | | | | |
| Non-Plant Assets & Liab | BOY | | | | | | | | | | | | | | | | | | | |
| Non-Plant Assets & Liab | EOY | | | | | | | | | | | | | | | | | | | |
| Prepays & Other | BOY | | | | | | | | | | | | | | | | | | | |
| Prepays & Other | EOY | | | | | | | | | | | | | | | | | | | |
| Statement of Income | | | | | | | | | | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | | | | | | | | | | |
| Fuel & Purchased Energy | Annual | | | | | | | | | | | | | | | | | | | |
| Power Production | Annual | | | | | | | | | | | | | | | | | | | |
| Transmission | Annual | | | | | | | | | | | | | | | | | | | |
| Distribution | Annual | | | | | | | | | | | | | | | | | | | |
| Customer Accounting | Annual | | | | | | | | | | | | | | | | | | | |
| Customer Service & Information | Annual | | | | | | | | | | | | | | | | | | | |
| Sales, Econ Dvlp & Other | Annual | | | | | | | | | | | | | | | | | | | |
| Administrative & General | Annual | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenses: | Annual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | Annual | | | | | | | | | | | | | | | | | | | |
| Amortization | Annual | | | | | | | | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | | | | | | | | | |
| Property | Annual | | | | | | | | | | | | | | | | | | | |
| Gross Earnings Tax | Annual | | | | | | | | | | | | | | | | | | | |
| Deferred Income Tax & ITC | Annual | (58,499) | (58,499) | (58,499) | (58,499) | (5,721) | (5,721) | (5,721) | (5,721) | (1,751) | (1,751) | (1,751) | (1,751) | (507) | (507) | (57,914) | (3,824) | (3,705) | (527) | (518) 11 |
| Payroll & other | Annual | | | | | | | | | | | | | | | | | | | |
| Total Taxes: | Annual | (58,499) | (58,499) | (58,499) | (58,499) | (5,721) | (5,721) | (5,721) | (5,721) | (1,751) | (1,751) | (1,751) | (1,751) | (507) | (507) | (57,914) | (3,824) | (3,705) | (527) | (518) 11 |
| AFUDC | Annual | | | | | | | | | | | | | | | | | | | |
| Juris Income Tax | | | | | | | | | | | | | | | | | | | | |
| Tax Additions: | | | | | | | | | | | | | | | | | | | | |
| Nuclear Fuel Burn (ex D&D) | Annual | | | | | | | | | | | | | | | | | | | |
| Nuclear Outage Accounting | Annual | | | | | | | | | | | | | | | | | | | |
| Avoided Tax Interest | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Other Book Additions | Annual | | | | | | | | | | | | | | | | | | | |
| Total Tax Additions | Annual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Deductions: | | | | | | | | | | | | | | | | | | | | |
| Tax Depreciation & Removal | Annual | (143,145) | (143,145) | (143,145) | (143,145) | (13,998) | (13,998) | (13,998) | (13,998) | (4,285) | (4,285) | (4,285) | (4,285) | (1,241) | (1,241) | (141,715) | (9,358) | (9,066) | (1,289) | (1,267) 26 |
| Manufacture Production Deduction | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Open | Annual | | | | | | | | | | | | | | | | | | | |
| Other Tax/Book Timing Differences | Annual | | | | | | | | | | | | | | | | | | | |
| Total Tax Deductions | Annual | (143,145) | (143,145) | (143,145) | (143,145) | (13,998) | (13,998) | (13,998) | (13,998) | (4,285) | (4,285) | (4,285) | (4,285) | (1,241) | (1,241) | (141,715) | (9,358) | (9,066) | (1,289) | (1,267) 26 |
| Tax Credits: | | | | | | | | | | | | | | | | | | | | |
| State R&E Credits | | | | | | | | | | | | | | | | | | | | |
| Other State Credits | | | | | | | | | | | | | | | | | | | | |
| Federal Production Tax Credit (PTC) | | | | | | | | | | | | | | | | | | | | |
| Other Federal Tax Credits | | | | | | | | | | | | | | | | | | | | |

PF8-1

**Bonus Tax Depreciation Adjustment
IRS Guidelines**

0.888009572 Interchange Demand = 83.6422%

| Round #2 Only for Annual Report - 2010 | | Total Co | Electric | MN Co Electric After IA | Minnesota | North Dakota | South Dakota | Wholesale | | |
|--|--------------------|----------------------|----------------------|----------------------------|----------------------|--------------------|--------------------|--------------------|-------------|-----------|
| Steam Production | 4,530,859 | (4,530,859) | (4,530,859) | (3,789,710) | (3,323,765) | (222,466) | (212,396) | (31,083) | | |
| Nuclear Production | 4,522,784 | (4,522,784) | (4,522,784) | (3,782,956) | (3,317,841) | (222,070) | (212,017) | (31,028) | | |
| Hydro Production | - | - | - | - | - | - | - | - | | |
| Other Production | 158,899,584 | (158,899,584) | (158,899,584) | (132,907,107) | (116,566,168) | (7,802,009) | (7,448,824) | (1,090,106) | | |
| Electric Transmission | 16,078,855 | (16,078,855) | (16,078,855) | (13,448,708) | (11,837,104) | (747,974) | (750,413) | (113,218) | | |
| Electric Distribution | 2,838,436 | (2,838,436) | (2,838,436) | (2,838,436) | (2,574,935) | (88,083) | (174,335) | (1,082) | | |
| Electric General | 1,770,027 | (1,770,027) | (1,770,027) | (1,770,027) | (1,555,128) | (104,289) | (101,782) | (8,828) | | |
| Gas Distribution | 275,002 | (275,002) | - | - | - | - | - | - | | |
| Gas Transmission | 658 | (658) | - | - | - | - | - | - | | |
| Gas Production and Storage | - | - | - | - | - | - | - | - | | |
| Gas General | 600,662 | (600,662) | - | - | - | - | - | - | | |
| Common | 3,255,693 | (3,255,693) | (2,891,087) | (2,891,087) | (2,539,980) | (171,105) | (166,605) | (13,398) | | |
| Total All Vintages | 192,772,559 | (192,772,559) | (191,531,631) | (161,428,031) | (141,714,921) | (9,357,996) | (9,066,372) | (1,288,743) | | |
| 0.408669 | | | | | | | | | | |
| 2-Factor PTD | | | P | 0.5718 | (143,144,998) | | | | | |
| | | | T | 0.1179 | (13,998,253) | | | | | |
| | | | D | 0.3103 | (4,284,780) | | | | | |
| Deferred Taxes | | | | | (78,273,040) | (65,970,632) | (57,914,495) | (3,824,323) | (3,705,145) | (526,669) |

| | | | | | | | | | |
|--|--|---|--------------|--|--|--|--|--|--|
| | | P | (58,498,923) | | | | | | |
| | | T | (5,720,652) | | | | | | |
| | | D | (1,751,057) | | | | | | |

| SD 13 Mo Avg | | SD 13 Mo Avg PTD |
|--------------|-------------|------------------|
| Dec-09 | 0 | (29,249,462) |
| Jan-10 | (308,762) | (2,860,326) |
| Feb-10 | (617,524) | (875,528) |
| Mar-10 | (926,286) | |
| Apr-10 | (1,235,048) | |
| May-10 | (1,543,810) | |
| Jun-10 | (1,852,573) | |
| Jul-10 | (2,161,335) | |
| Aug-10 | (2,470,097) | |
| Sep-10 | (2,778,859) | |
| Oct-10 | (3,087,621) | |
| Nov-10 | (3,396,383) | |
| Dec-10 | (3,705,145) | |
| 13 Mo Avg | (1,852,573) | |

| Round #2 Only for Annual Report - 2010 | | Total Co | Gas | Minnesota | North Dakota |
|--|--------------------|----------------------|--------------------|--------------------|-----------------|
| Steam Production | 4,530,859 | (4,530,859) | - | - | - |
| Nuclear Production | 4,522,784 | (4,522,784) | - | - | - |
| Hydro Production | - | - | - | - | - |
| Other Production | 158,899,584 | (158,899,584) | - | - | - |
| Electric Transmission | 16,078,855 | (16,078,855) | - | - | - |
| Electric Distribution | 2,838,436 | (2,838,436) | - | - | - |
| Electric General | 1,770,027 | (1,770,027) | - | - | - |
| Gas Distribution | 275,002 | (275,002) | (275,002) | (277,658) | 2,656 |
| Gas Transmission | 658 | (658) | (658) | (664) | 6 |
| Gas Production and Storage | - | - | - | - | - |
| Gas General | 600,662 | (600,662) | (600,662) | (613,440) | 12,778 |
| Common | 3,255,693 | (3,255,693) | (364,606) | (375,146) | 10,539 |
| Total All Vintages | 192,772,559 | (192,772,559) | (1,240,928) | (1,266,908) | 25,980 |
| 0.408669 | | | | | |
| Deferred Taxes | | | (507,129) | (517,746) | 10,617 |

| Tax Depr for Allocations | Total Company | Minnesota | North Dakota | South Dakota | Wholesale | M | N | S | W | Total |
|--------------------------|------------------|------------------|---------------|---------------|--------------|--------|-------|-------|-------|---------|
| Production | 861,374 | 755,468 | 50,565 | 48,276 | 7,065 | 87.70% | 5.87% | 5.60% | 0.82% | 100.00% |
| Transmission | 204,075 | 179,620 | 11,350 | 11,387 | 1,718 | 88.02% | 5.56% | 5.58% | 0.84% | 100.00% |
| Distribution | 170,467 | 154,642 | 5,290 | 10,470 | 65 | 90.72% | 3.10% | 6.14% | 0.04% | 100.00% |
| General | 47,319 | 41,574 | 2,788 | 2,721 | 236 | 87.86% | 5.89% | 5.75% | 0.50% | 100.00% |
| Common | 28,268 | 24,835 | 1,673 | 1,629 | 131 | 87.86% | 5.92% | 5.76% | 0.46% | 100.00% |
| Total | 1,311,503 | 1,156,139 | 71,666 | 74,483 | 9,215 | | | | | |

PF8-2

**Bonus Tax Depreciation Adjustment
IRS Guidelines**

| Round #2 Only for Annual Report - 2010 | 0.888008572 | Interchange Demand = | 83.6422% | MN Co Electric After IA | Minnesota | North Dakota | South Dakota | Wholesale |
|--|--------------------|----------------------|----------------------|----------------------------|----------------------|--------------------|--------------------|--------------------|
| Steam Production | 4,530,859 | (4,530,859) | (4,530,859) | (3,788,710) | (3,923,765) | (222,468) | (212,398) | (31,085) |
| Nuclear Production | 4,522,784 | (4,522,784) | (4,522,784) | (3,782,858) | (3,317,841) | (222,070) | (212,017) | (31,028) |
| Hydro Production | - | - | - | - | - | - | - | - |
| Other Production | 158,899,584 | (158,899,584) | (158,899,584) | (132,907,107) | (116,566,168) | (7,802,009) | (7,448,824) | (1,090,105) |
| Total All Vintages | 192,772,559 | (192,772,559) | (192,772,559) | (140,478,774) | (123,207,774) | (9,246,548) | (7,873,237) | (1,192,217) |
| Electric Transmission | 16,078,855 | (16,078,855) | (16,078,855) | (13,448,708) | (11,837,104) | (747,974) | (750,413) | (113,216) |
| Electric Distribution | 2,838,436 | (2,838,436) | (2,838,436) | (2,838,436) | (2,674,835) | (88,083) | (174,335) | (1,082) |
| Electric General | 1,770,027 | (1,770,027) | (1,770,027) | (1,770,027) | (1,558,128) | (104,289) | (101,782) | (6,628) |
| Gas Distribution | 275,002 | (275,002) | (275,002) | - | - | - | - | - |
| Gas Transmission | 658 | (658) | (658) | - | - | - | - | - |
| Gas Production and Storage | - | - | - | - | - | - | - | - |
| Gas General | 600,662 | (600,662) | (600,662) | - | - | - | - | - |
| Common | 3,235,693 | (3,235,693) | (2,891,087) | (2,891,087) | (2,539,880) | (171,105) | (168,605) | (13,398) |
| Total All Vintages | 192,772,559 | (192,772,559) | (191,531,631) | (161,428,031) | (141,714,921) | (9,357,996) | (9,066,372) | (1,288,743) |

| | | | |
|--------------|---|--------|---------------|
| 0.408889 | | | |
| 2-Factor PTD | P | 0.5718 | (143,144,998) |
| | T | 0.1179 | (13,898,283) |
| | D | 0.3103 | (4,284,780) |

| | | | | | | | | |
|----------------------------|--------------------|----------------------|----------------------|---------------------|---------------------|--------------------|--------------------|------------------|
| Steam Production | 4,530,859 | (4,530,859) | (4,530,859) | (1,548,737) | (1,358,320) | (90,915) | (86,900) | (12,703) |
| Nuclear Production | 4,522,784 | (4,522,784) | (4,522,784) | (1,645,977) | (1,355,899) | (90,753) | (86,645) | (12,680) |
| Hydro Production | - | - | - | - | - | - | - | - |
| Other Production | 158,899,584 | (158,899,584) | (158,899,584) | (54,315,015) | (47,636,979) | (3,188,439) | (3,044,104) | (445,492) |
| Total All Vintages | 192,772,559 | (192,772,559) | (188,640,348) | (57,409,728) | (50,351,198) | (3,370,107) | (3,217,548) | (470,875) |
| Electric Transmission | 16,078,855 | (16,078,855) | (16,078,855) | (5,486,070) | (4,837,457) | (305,674) | (306,670) | (46,269) |
| Electric Distribution | 2,838,436 | (2,838,436) | (2,838,436) | (1,159,981) | (1,052,295) | (35,987) | (71,245) | (442) |
| Electric General | 1,770,027 | (1,770,027) | (1,770,027) | (723,355) | (635,533) | (42,620) | (41,595) | (3,608) |
| Gas Distribution | 275,002 | (275,002) | (275,002) | - | - | - | - | - |
| Gas Transmission | 658 | (658) | (658) | - | - | - | - | - |
| Gas Production and Storage | - | - | - | - | - | - | - | - |
| Gas General | 600,662 | (600,662) | (600,662) | - | - | - | - | - |
| Common | 3,235,693 | (3,235,693) | (2,891,087) | (1,181,458) | (1,038,011) | (65,025) | (58,058) | (5,475) |
| Total All Vintages | 192,772,559 | (192,772,559) | (188,640,348) | (65,970,632) | (57,914,495) | (3,824,323) | (3,708,145) | (526,669) |

| | | | | | | |
|----------------|--------------|--------------|--------------|-------------|-------------|-----------|
| Deferred Taxes | (78,273,040) | (65,970,632) | (57,914,495) | (3,824,323) | (3,708,145) | (526,669) |
| | P | (58,498,923) | | | | |
| | T | (5,720,662) | | | | |
| | D | (1,751,057) | | | | |

| Round #2 Only for Annual Report - 2010 | Total Co | Gas | Minnesota | North Dakota |
|--|--------------------|----------------------|--------------------|-----------------|
| Steam Production | 4,530,859 | (4,530,859) | - | - |
| Nuclear Production | 4,522,784 | (4,522,784) | - | - |
| Hydro Production | - | - | - | - |
| Other Production | 158,899,584 | (158,899,584) | - | - |
| Electric Transmission | 16,078,855 | (16,078,855) | - | - |
| Electric Distribution | 2,838,436 | (2,838,436) | - | - |
| Electric General | 1,770,027 | (1,770,027) | - | - |
| Gas Distribution | 275,002 | (275,002) | (277,658) | 2,656 |
| Gas Transmission | 658 | (658) | (664) | 6 |
| Gas Production and Storage | - | - | - | - |
| Gas General | 600,662 | (600,662) | (613,440) | 12,778 |
| Common | 3,235,693 | (3,235,693) | (375,146) | 10,539 |
| Total All Vintages | 192,772,559 | (192,772,559) | (1,240,928) | 25,980 |

| | | | | | |
|----------------------------|--------------------|----------------------|------------------|------------------|---------------|
| Gas Distribution | 275,002 | (275,002) | (112,385) | (113,470) | 1,085 |
| Gas Transmission | 658 | (658) | (269) | (271) | 3 |
| Gas Production and Storage | - | - | - | - | - |
| Gas General | 600,662 | (600,662) | (245,472) | (250,604) | 5,222 |
| Common | 3,235,693 | (3,235,693) | (149,003) | (153,310) | 4,307 |
| Total All Vintages | 192,772,559 | (192,772,559) | (307,129) | (317,746) | 10,617 |
| Deferred Taxes | | | (307,129) | (317,746) | 10,617 |

| Tax Depr for Allocations | Total Company | Minnesota | North Dakota | South Dakota | Wholesale | M | N | S | W | Total |
|--------------------------|------------------|------------------|---------------|---------------|--------------|--------|-------|-------|-------|---------|
| Production | 861,374 | 755,468 | 50,565 | 48,278 | 7,065 | 87.70% | 5.87% | 5.60% | 0.52% | 100.00% |
| Transmission | 234,079 | 179,620 | 11,360 | 11,987 | 1,718 | 88.02% | 5.58% | 5.58% | 0.84% | 100.00% |
| Distribution | 370,457 | 154,642 | 5,280 | 10,470 | 85 | 90.72% | 3.10% | 6.14% | 0.04% | 100.00% |
| General | 47,319 | 41,574 | 2,788 | 2,721 | 236 | 87.66% | 5.89% | 5.76% | 0.50% | 100.00% |
| Common | 28,268 | 24,835 | 1,673 | 1,629 | 131 | 87.86% | 5.62% | 5.76% | 0.46% | 100.00% |
| Total | 1,311,503 | 1,156,139 | 71,666 | 74,483 | 9,215 | | | | | |

PF8-3