

April 24, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

—Via Electronic Filing—

RE: XCEL ENERGY ELECTRIC RATE CASE  
COMPLIANCE FILING – PRELIMINARY SCHEDULES  
DOCKET NO. E002/GR-13-868

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Compliance Filing pursuant to the Minnesota Public Utilities Commission's conclusions during deliberations in the above referenced docket. During deliberations, the Company committed to providing updated financial schedules prior to issuance of the COMMISSION'S FINDINGS OF FACT, CONCLUSIONS AND ORDER (ORDER) based upon our understanding of the decisions made on March 26<sup>th</sup>.

In this submission, we provide updated financial schedules and supporting workpapers in Appendix A and our 2014 Capital True-up Report in Appendix B.

#### Appendix A

Appendix A includes our summary of revenue requirements, summary of adjustments, calculation of the authorized cost of capital, bridge schedules and supporting adjustments. In addition, we provide our rationale for the Monticello Life Cycle Management / Extended Power Update (LCM/EPU) project adjustments and Sales / Conservation Improvement Program (CIP) revenue adjustment below.

#### Monticello LCM/EPU Project

Schedule A8 presents the calculation of adjustments to the 2014 Test Year and 2015 STEP for the Monticello LCM/EPU project. The 2014 Test Year is adjusted to reflect the Commission's selected Decision Options 1 and 3 in Docket No.

E002/GR-13-868 which find that the Monticello EPU was not used and useful in 2014, and that 50 percent of the project revenue requirements should be excluded from the 2014 Test Year.

For the 2015 STEP, two adjustments are included: one to add back the full revenue requirement excluded in the 2014 Test Year and one to reflect the Commission's Decision in the Monticello LCM/EPU prudence investigation. The Company's interpretation of the Commission's selected Decision Option 5D in the prudence investigation (Docket No. E002/CI-13-754) is that the Company is not allowed a return on the costs in excess of the figures provided in the Certificate of Need, escalated to 2014. Commission staff defined this amount as \$333 million of the total \$748 million project expenditures, including AFUDC, or 44.5 percent of the total.

The Commission's Order permits a return of, but not on a portion of our plant investment. We believe that a full "return of" costs, by definition, represents depreciation. Given that no depreciation expenses were disallowed and these determinations were made on a total project basis, the Company applied a direct proration of the rate base associated with the total project to quantify the portion of the project's rate base earning a zero rate of return. This method is consistent with past practice in determining project investment costs and associated plant related rate base items in the calculation of rate base adjustments.

#### Sales / Conservation Improvement Program (CIP) Revenue Adjustment

Schedule A10 details updated revenues based on the Commission's March 26th decision to continue collection of Conservation Improvement Plan (CIP) revenues in base rates. The Company has reinstated \$90.716 million of CIP revenues and expenses that were removed in financial statements in the Company's rebuttal testimony and in the January 16th Sales true up compliance filing. The distribution of CIP revenues into the Conservation Cost Recovery Charge (CCRC) component and the CIP Adjustment Factor components was updated for final test year sales. The CCRC component was determined by multiplying the currently approved CCRC by updated non-exempt test year sales. The CIP Adjustment Factor component was then determined as the remaining amount such that total CIP revenue equals the \$90.717 million of CIP expense. The increase in final sales from rebuttal resulted in an increase of base CCRC revenues of \$0.919 million in Test Year 2014 and \$0.967 million in Test Year 2015. The updated proposed CCRC and class revenue schedules are included as Schedule A10.

## Appendix B

In addition, the 2014 Plant Related Revenue Requirement True-Up is provided in Appendix B. This information is being provided per Company Witness Ms. Anne Heuer's Evidentiary Hearing Opening Statement (Exhibit 140.) As agreed to by the Department of Commerce and the Company, the plant related true-up is calculated on a revenue requirement basis based on *actual* capital related costs through December 2014. This revenue requirement is then compared to the *Commission authorized* capital related revenue requirement for 2014. If the actual 2014 revenue requirement is lower than the Commission authorized 2014 capital related revenue requirement, the Company would incorporate the reduction into the final rate increase for 2014 and the reduction will be factored into the final interim rate refund. If the actual 2014 capital related revenue requirement is higher than the Commission authorized 2014 capital related revenue requirement, then the Company would not collect the difference. As noted in Schedule B1, the total actual 2014 capital-related revenue requirement is \$799 million compared to the total 2014 Test Year capital-related revenue requirement resulting from the Commission Decision of \$792 million. Therefore, because actual 2014 capital-related revenue requirements are \$7 million higher than the 2014 Test Year, no adjustment is required to either the final interim rate refund or the calculation of final rates.

The Appendix B schedules provide our 2014 Capital True-up supporting documentation, including: 1) 2014 Test Year and actual capital related revenue requirement calculations both in summary and bridge schedule format; 2) a comparison of 2013 Bridge Year and 2014 Test Year capital project additions for total Company as well as the Minnesota jurisdiction compared to 2013 and 2014 actual project additions; and 3) explanations for capital project additions that were included in actual rate base, but were not a part of the 2014 Test Year.

These preliminary schedules are being provided to assist in the Commission's upcoming ORDER and also to allow parties additional review time in advance of Final Rates compliance in this matter.

The Company will update these schedules as necessary subsequent to issuance of the ORDER. We have electronically filed this document with the Commission, which also constitutes service on the Department of Commerce and the Office of the Attorney General – Antitrust and Utilities Division. A copy of this filing has been served on all parties on the official service list in this docket.

Daniel P. Wolf

April 24, 2015

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Please contact me at (612) 330-6935 or [gail.baranko@xcelenergy.com](mailto:gail.baranko@xcelenergy.com) if you have any questions regarding this Compliance Filing.

Sincerely,

/s/

GAIL A. BARANKO  
MANAGER, REGULATORY PROJECT MANAGEMENT  
NSPM REGULATORY ADMINISTRATION

Enclosures  
c: Service List

### Index of Preliminary Schedules

Appendix	Description
A	<p>Financial Schedules – Rate Case Assumed Outcome</p> <ul style="list-style-type: none"><li>• A1. Summary of Revenue Requirements</li><li>• A2. Summary of Adjustments</li><li>• A3. Authorized Cost of Capital (both 2014 and 2015)</li><li>• A4. 2014 Test Year - Rate Base Bridge Schedule</li><li>• A5. 2014 Test Year - Income Statement Bridge Schedule</li><li>• A6. 2015 Step - Rate Base Bridge Schedule</li><li>• A7. 2015 Step - Income Statement Bridge Schedule</li><li>• A8. Monticello LCM/EPU Prudence Adjustment Calculation</li><li>• A9. Aviation Adjustment</li><li>• A10. Sales – Conservation Improvement Program Revenue Adjustment</li></ul>
B	<p>2014 Capital True-Up Report</p> <ul style="list-style-type: none"><li>• B1. Summary Calculations</li><li>• B2. Summary Bridge Schedules</li><li>• B3. Detailed Differences</li><li>• B4. 2013-2014 Capital Project Additions</li><li>• B5. 2014 New Project Explanations</li></ul>

## **Appendix A: Rate Case Assumed Outcome**

- A1. Summary of Revenue Requirements
- A2. Summary of Adjustments
- A3. Authorized Cost of Capital (both 2014 and 2015)
- A4. 2014 Test Year - Rate Base Bridge Schedule
- A5. 2014 Test Year - Income Statement Bridge Schedule
- A6. 2015 Step - Rate Base Bridge Schedule
- A7. 2015 Step - Income Statement Bridge Schedule
- A8. Monticello LCM/EPU Prudence Adjustment Calculation
- A9. Aviation Adjustment
- A10. Sales – Conservation Improvement Program Revenue Adjustment

These schedules will be updated or refined upon issuance of the Commission's ORDER if appropriate.

Northern States Power Company  
 Electric Utility - State of Minnesota  
**Summary of Revenue Requirements**  
**Test Year Ending December 31, 2014**  
 (\$000's)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A1 - Page 1 of 3

<u>Line</u>	<u>Description</u>	Commission Decision Test Year <u>2014</u> (1)
1	Average Rate Base	\$6,493,649
2	Operating Income (Before AFUDC)	\$407,232
3	Allowance for Funds Used During Construction	\$34,864
4	Total Available for Return (Line 2 + Line 3)	\$442,096
5	Overall Rate of Return (Line 4 / Line 1)	6.81%
6	Required Rate of Return	7.34%
7	Operating Income Requirement (Line 1 x Line 6)	\$476,634
8	Income Deficiency (Line 7 - Line 4)	\$34,538
9	Gross Revenue Conversion Factor	1.70561
10	Revenue Deficiency (Line 8 x Line 9)	\$58,908
11	Retail Related Revenue Under Present Rates	\$2,789,466
12	Percentage Increase in Overall Revenue (Line 10 / Line 11)	2.11%

Northern States Power Company  
 Electric Utility - State of Minnesota  
**Summary of Revenue Requirements**  
**Test Year 2015 STEP**  
 (\$000's)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A1 - Page 2 of 3

<u>Line</u>	<u>Description</u>	Rate of Return Difference On 2014 Rate Base <u>2015 STEP</u> (1)	Test Year <u>2015 STEP</u> (2)	Commission Decision Test Year <u>2015 STEP</u> (3)
1	Average Rate Base	\$6,493,649	\$584,573	\$584,573
2	Operating Income (Before AFUDC)	\$806	(\$14,276)	(\$13,470)
3	Allowance for Funds Used During Construction	\$0	(\$5,509)	(\$5,509)
4	Total Available for Return (Line 2 + Line 3)	\$806	(\$19,785)	(\$18,979)
5	Overall Rate of Return (Line 4 / Line 1)	0.01%	-3.38%	-3.25%
6	Required Rate of Return	0.03%	7.37%	
7	Operating Income Requirement (Line 1 x Line 6)	\$1,948	\$43,083	\$45,031
8	Income Deficiency (Line 7 - Line 4)	\$1,142	\$62,868	\$64,010
9	Gross Revenue Conversion Factor	1.70561	1.70561	1.70561
10	Revenue Deficiency (Line 8 x Line 9)	\$1,948	\$107,228	\$109,176
11	Retail Related Revenue Under Present Rates			\$2,789,466
12	Percentage Increase in Overall Revenue (Line 10 / Line 11)			3.91%



Northern States Power Company  
 Electric Utility - State of Minnesota  
**Summary of Revenue Requirements**  
**Test Year 2015 STEP & Combined Ending December 31, 2015**  
 (\$000's)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A1 - Page 3 of 3

<u>Line</u>	<u>Description</u>	Commission Decision Test Year <u>2014</u> (1)	Commission Decision Test Year <u>2015 STEP</u> (2)	Commission Decision 2014 & <u>2015 STEP</u> (3)
1	Average Rate Base	\$6,493,649	\$584,573	\$7,078,222
2	Operating Income (Before AFUDC)	\$407,232	(\$13,470)	\$393,762
3	Allowance for Funds Used During Construction	\$34,864	(\$5,509)	\$29,355
4	Total Available for Return (Line 2 + Line 3)	\$442,096	(\$18,979)	\$423,117
5	Overall Rate of Return (Line 4 / Line 1)	6.81%	-3.25%	5.98%
6	Required Rate of Return	7.34%		7.37%
7	Operating Income Requirement (Line 1 x Line 6)	\$476,634	\$45,031	\$521,665
8	Income Deficiency (Line 7 - Line 4)	\$34,538	\$64,010	\$98,548
9	Gross Revenue Conversion Factor	1.70561	1.70561	1.70561
10	Revenue Deficiency (Line 8 x Line 9)	\$58,908	\$109,176	\$168,084
11	Retail Related Revenue Under Present Rates			\$2,789,466
12	Percentage Increase in Overall Revenue (Line 10 / Line 11)			6.03%

Northern States Power Company  
Electric Utility - State of Minnesota  
**Summary of Adjustments**  
**MPUC Docket Nos. E002/GR-13-868 / E002/CI-13-754**  
**2014 MN Electric Rate Case - 2014 Test Year**  
\$ millions

Docket No. E002/GR-13-868  
Preliminary Compliance Filing  
Financial Schedules - April 24, 2015  
Schedule A2, page 1 of 2

Issue #	Issue Title	<u>ALJ</u>	<u>March 6 Commission Decisions (1)</u>	<u>March 26 Commission Decision (2)</u>
<b><u>2014 CASE AS FILED</u></b>		\$192.710		\$192.710
<b><u>DISPUTED ITEMS</u></b>				
1	Return on Equity (ROE)	(28.442)		(31.855)
2	Monticello EPU - Used and Useful In-Service Date	(31.284)	(37.601)	(37.601)
3	Prairie Island Cancelled EPU Project	(4.867)		(4.815)
6	Retiree Medical Expenses (FAS 106)	-		(1.269)
13	Sales Forecast	(38.454)		(37.535)
65	Corporate Aviation	-		(0.840)
<b><u>RESOLVED ITEMS</u></b>				
12	Cost of Debt	(1.334)		(1.334)
14	Property Taxes	(13.189)		(13.189)
15	Emission Control Chemical Costs	(2.265)		(2.265)
16	Insurance - Surplus distributions	(1.662)		(1.662)
18	Qualified Pension - measurement date	1.011		1.011
19	Retiree Medical Expenses (FAS 106) measurement date	(0.667)		(0.667)
20	Non-Qualified Pension - restoration plan	(0.704)		(0.704)
21	Post-Employment Benefits (FAS 112) measurement date	(0.421)		(0.421)
22	Active Health Care	(1.081)		(1.081)
23	Nuclear Retention Program	(0.516)		(0.516)
24	Customer Care O&M Expenses	(0.503)		(0.503)
25	Nuclear Fees	(1.000)		(1.000)
26	Investor Relations Costs	(0.078)		(0.078)
38	Hollydale Project	(0.043)		(0.043)
39	PI EPU/LCM Split	(0.168)		(0.168)
40	Xcel Energy Foundation Cost Correction	(0.115)		(0.115)
41	Big Stone-Brookings Correction	(0.147)		(0.147)
42	Bargaining Unit Wage Increase	(0.405)		(0.405)
43	Theoretical Reserve correction - Intangible Plant	0.028		0.028
44	NOL Correction	(0.367)		(0.367)
47	Cost of Capital / Interest and Tax Calculation Sync	0.191		0.281
48	NOL Impact	2.022		2.157
49	Cash Working Capital Impact	1.336		1.301
<b>REVENUE IMPACT OF ADJUSTED CASE - 2014</b>		<b>\$69.586</b>		<b>\$58.908</b>

(1) Docket Nos. E002/GR-13-868 and E002/CI-13-754  
(2) Docket No. E002/GR-13-868

Northern States Power Company  
 Electric Utility - State of Minnesota  
**Summary of Adjustments**  
**MPUC Docket Nos. E002/GR-13-868 / E002/CI-13-754**  
**2014 MN Electric Rate Case - 2015 STEP**  
 \$ millions

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A2, page 2 of 2

Issue #	Issue Title	<u>ALJ</u>	<u>March 6 Commission Decisions (1)</u>	<u>March 26 Commission Decision (2)</u>
<b><u>2015 STEP AS FILED</u></b>		\$98.533		\$98.533
<b>DISPUTED ITEMS</b>				
1	ROE	(1.755)		(1.965)
2	Monticello EPU - Used and Useful In-Service Date	29.139	35.440	35.440
	Monticello LCM/EPU - No Return		(17.952)	(17.952)
10	Depreciation and Plant Retirements - Passage of Time	-		(0.536)
30	Pleasant Valley and Border Winds	(11.093)		(11.093)
<b>RESOLVED ITEMS</b>				
12	Cost of Debt	1.989		1.989
32	Property Taxes	(3.309)		(3.309)
33	Emissions Control Chemical Costs	(1.580)		(1.580)
34	Rate Moderation - DOE Settlement Funds	10.103		10.103
47	Cost of Capital	(0.110)		(0.224)
48	NOL Impact	0.195		0.108
49	Cash Working Capital Impact	0.279		0.284
	C&I Customer	(0.670)		(0.622)
<b>REVENUE IMPACT OF ADJUSTED CASE - 2015 STEP</b>		<u>\$121.722</u>		<u>\$109.176</u>
<b>Results of 2014 Test Year</b>		<u>69.586</u>		<u>58.908</u>
<b>TOTAL REVENUE INCREASE</b>		<u><b>\$191.308</b></u>		<u><b>\$168.084</b></u>

(1) Docket Nos. E002/GR-13-868 and E002/CI-13-754  
 (2) Docket No. E002/GR-13-868

**2014 Test Year**

	Cost of Capital			Weighted
	<u>Base Rate</u>		<u>Ratio</u>	<u>Cost</u>
Long Term Debt	4.9000%	x	45.6000%	= 2.2300%
Short Term Debt	0.6200%	x	1.9000%	= 0.0100%
Preferred Stock	0.0000%	x	0.0000%	= 0.0000%
Common Equity	9.7200%	x	<u>52.5000%</u>	= <u>5.1000%</u>
Required Rate of Return			100.0000%	7.3400%

**2015 STEP**

	Cost of Capital			Weighted
	<u>Base Rate</u>		<u>Ratio</u>	<u>Cost</u>
Long Term Debt	4.9400%	x	45.6100%	= 2.2500%
Short Term Debt	1.1200%	x	1.8900%	= 0.0200%
Preferred Stock	0.0000%	x	0.0000%	= 0.0000%
Common Equity	9.7200%	x	<u>52.5000%</u>	= <u>5.1000%</u>
Required Rate of Return			100.0000%	7.3700%

<u>Description</u> <u>Reference</u>	Proposed 2014 Test Year (1)	Non-Qualified Pension - restoration plan (2)	Active Health Care (3)	Hollydale Project (4)	PI EPU/LCM Split (5)	Big-Stone Brookings Correction (6)	Theoretical Reserve Correction - Intangible (7)	NOL Correction (8)	Monticello EPU 50/50 Used & Useful (9)	NOL Adjustments (10)	CWC Adjustments (11)	Commission Decision 2014 Test Year (12)
Electric Plant as Booked												
1 Production	\$8,178,489	\$0	\$0	\$0	(\$802)	\$0	\$0	\$0	(\$225,098)	\$0	\$0	\$7,952,590
2 Transmission	\$2,002,245	\$0	\$0	(\$389)	\$0	(\$2,211)	\$0	\$0	\$0	\$0	\$0	\$1,999,645
3 Distribution	\$3,019,969	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,019,969
4 General	\$499,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$499,761
5 Common	\$454,709	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$454,709
6 TOTAL Utility Plant in Service	\$14,155,174	\$0	\$0	(\$389)	(\$802)	(\$2,211)	\$0	\$0	(\$225,098)	\$0	\$0	\$13,926,674
Reserve for Depreciation												
7 Production	\$4,469,343	\$0	\$0	\$0	(\$29)	\$0	\$0	\$0	(\$16,984)	\$0	\$0	\$4,452,331
8 Transmission	\$567,004	\$0	\$0	(\$0)	\$0	(\$24)	\$0	\$0	\$0	\$0	\$0	\$566,980
9 Distribution	\$1,184,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,184,480
10 General	\$179,530	\$0	\$0	\$0	\$0	\$0	\$179	\$0	\$0	\$0	\$0	\$179,709
11 Common	\$243,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243,128
12 TOTAL Reserve for Depreciation	\$6,643,486	\$0	\$0	(\$0)	(\$29)	(\$24)	\$179	\$0	(\$16,984)	\$0	\$0	\$6,626,628
Net Utility Plant in Service												
13 Production	\$3,709,145	\$0	\$0	\$0	(\$773)	\$0	\$0	\$0	(\$208,114)	\$0	\$0	\$3,500,258
14 Transmission	\$1,435,242	\$0	\$0	(\$389)	\$0	(\$2,187)	\$0	\$0	\$0	\$0	\$0	\$1,432,666
15 Distribution	\$1,835,489	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,835,489
16 General	\$320,231	\$0	\$0	\$0	\$0	\$0	(\$179)	\$0	\$0	\$0	\$0	\$320,052
17 Common	\$211,581	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$211,581
18 Net Utility Plant in Service	\$7,511,688	\$0	\$0	(\$389)	(\$773)	(\$2,187)	(\$179)	\$0	(\$208,114)	\$0	\$0	\$7,300,046
19 Utility Plant Held for Future Use	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Construction Work in Progress	\$570,327	(\$8)	(\$225)	\$0	(\$787)	\$2,257	\$0	\$0	(\$41,726)	\$0	\$0	\$529,838
21 Less: Accumulated Deferred Income Taxes	\$1,668,597	\$0	\$0	(\$0)	(\$142)	(\$229)	(\$73)	(\$190)	(\$51,734)	(\$11,439)	\$0	\$1,604,789
22 Cash Working Capital	(\$86,041)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,721	(\$74,321)
Other Rate Base Items:												
23 Materials and Supplies	\$116,514	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$116,514
24 Fuel Inventory	\$74,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,663
25 Non-Plant Assets & Liabilities	(\$12,904)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,904)
26 Prepayments	\$14,103	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,103
27 Nuclear Outage Amortization	\$82,801	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,801
28 Customer Advances	(\$3,301)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,301)
29 Customer Deposits	(\$2,763)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,763)
30 Sherco 3 Deferral	\$10,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,250
31 Black Dog Reg Asset Amortization	\$2,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,962
32 PI EPU Amortization	\$55,349	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,349
33 Other Working Capital	\$5,202	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,202
34 Total Other Rate Base Items	\$342,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$342,875
35 Total Average Rate Base	\$6,670,252	(\$8)	(\$225)	(\$388)	(\$1,418)	\$299	(\$106)	\$190	(\$198,105)	\$11,439	\$11,721	\$6,493,649

<u>Description</u>	<b>Proposed 2014 Test Year @ Last Authorized</b> (1)	<b>PI EPU Project Amortization Update</b> (2)	<b>Property Taxes</b> (3)	<b>Emission Control Chemical Costs</b> (4)	<b>Insurance - Surplus distributions</b> (5)	<b>Qualified Pension - measurement date</b> (6)	<b>Retiree Medical Expenses measurement date</b> (7)	<b>Non-Qualified Pension - restoration plan</b> (8)	<b>Post-Employment Benefits measurement date</b> (9)	<b>Active Health Care</b> (10)	<b>Nuclear Retention Program</b> (11)
<b>Operating Revenues</b>											
1 Retail	\$2,788,745	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Interdepartmental	722	0	0	0	0	0	0	0	0	0	0
3 Other Operating	618,556	0	0	0	0	0	0	0	0	0	0
4 <b>Total Operating Revenues</b>	<b>\$3,408,022</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenses</b>											
Operating Expenses:											
5 Fuel & Purchased Energy	\$1,086,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Power Production	700,453	0	0	(2,265)	0	0	0	0	0	0	0
7 Transmission	191,916	0	0	0	0	0	0	0	0	0	0
8 Distribution	103,490	0	0	0	0	0	0	0	0	0	0
9 Customer Accounting	48,552	0	0	0	0	0	0	0	0	0	0
10 Customer Service & Information	93,490	0	0	0	0	0	0	0	0	0	0
11 Sales, Econ Dvlp & Other	101	0	0	0	0	0	0	0	0	0	0
12 Administrative & General	196,946	0	0	0	(1,662)	1,011	(667)	(703)	(421)	(1,056)	(516)
13 <b>Total Operating Expenses</b>	<b>\$2,421,275</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,265)</b>	<b>(\$1,662)</b>	<b>\$1,011</b>	<b>(\$667)</b>	<b>(\$703)</b>	<b>(\$421)</b>	<b>(\$1,056)</b>	<b>(\$516)</b>
14 Depreciation	\$288,489	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15 Amortization	\$33,229	(\$1,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes:											
16 Property	\$167,546	\$0	(\$9,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Deferred Income Tax & ITC	182,784	1,968	0	0	0	0	0	0	0	0	0
18 Federal & State Income Tax	(\$76,856)	(1,193)	3,723	937	688	(418)	276	291	174	439	214
19 Payroll & Other	29,409	0	0	0	0	0	0	0	0	0	0
20 <b>Total Taxes</b>	<b>\$302,883</b>	<b>\$775</b>	<b>(\$5,277)</b>	<b>\$937</b>	<b>\$688</b>	<b>(\$418)</b>	<b>\$276</b>	<b>\$291</b>	<b>\$174</b>	<b>\$439</b>	<b>\$214</b>
21 <b>Total Expenses</b>	<b>\$3,045,876</b>	<b>(\$1,154)</b>	<b>(\$5,277)</b>	<b>(\$1,328)</b>	<b>(\$975)</b>	<b>\$593</b>	<b>(\$391)</b>	<b>(\$412)</b>	<b>(\$247)</b>	<b>(\$617)</b>	<b>(\$303)</b>
22 Allowance for Funds Used During Construction	\$35,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 <b>Total Operating Income</b>	<b>\$397,173</b>	<b>\$1,154</b>	<b>\$5,277</b>	<b>\$1,328</b>	<b>\$975</b>	<b>(\$593)</b>	<b>\$391</b>	<b>\$412</b>	<b>\$247</b>	<b>\$617</b>	<b>\$303</b>
<b>Calculation of Revenue Requirements</b>											
24 Rate Base	\$6,670,252	\$0	\$0	\$0	\$0	\$0	\$0	(\$8)	\$0	(\$225)	\$0
25 Required Operating Income	496,934	0	0	0	0	0	0	(1)	0	(17)	0
26 Operating Income	397,173	1,154	5,277	1,328	975	(593)	391	412	247	617	303
27 Income Deficiency	99,761	(1,154)	(5,277)	(1,328)	(975)	593	(391)	(413)	(247)	(634)	(303)
28 <b>Revenue Deficiency</b>	<b>\$170,153</b>	<b>(\$1,968)</b>	<b>(\$9,000)</b>	<b>(\$2,265)</b>	<b>(\$1,662)</b>	<b>\$1,011</b>	<b>(\$667)</b>	<b>(\$704)</b>	<b>(\$421)</b>	<b>(\$1,081)</b>	<b>(\$516)</b>
<b>Calculation of Income Taxes</b>											
29 Operating Revenue	\$3,408,022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 - Operating Exp	2,421,275	0	0	(2,265)	(1,662)	1,011	(667)	(703)	(421)	(1,056)	(516)
31 - Amortizations	33,229	(1,929)	0	0	0	0	0	0	0	0	0
32 - Taxes oth than Inc	196,955	0	(9,000)	0	0	0	0	0	0	0	0
33 Operating Income before Adjs	\$756,563	\$1,929	\$9,000	\$2,265	\$1,662	(\$1,011)	\$667	\$703	\$421	\$1,056	\$516
34 Additions to Income	\$219,847	(\$4,813)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Deduct from Income	\$1,009,101	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Debt Synchronization	\$152,082	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	(\$5)	\$0
37 State Taxable Income	(\$184,773)	(\$2,884)	\$9,000	\$2,265	\$1,662	(\$1,011)	\$667	\$703	\$421	\$1,062	\$516
38 State Income Tax before Credits	(\$18,108)	(\$283)	\$882	\$222	\$163	(\$99)	\$65	\$69	\$41	\$104	\$51
39 State Tax Credits	\$640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Federal Taxable Income	(\$166,025)	(\$2,601)	\$8,118	\$2,043	\$1,499	(\$912)	\$601	\$634	\$380	\$958	\$466
41 Fed Income Tax before Credits	(\$58,109)	(\$910)	\$2,841	\$715	\$525	(\$319)	\$210	\$222	\$133	\$335	\$163
42 Federal Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 <b>Income Tax</b>	<b>(\$76,856)</b>	<b>(\$1,193)</b>	<b>\$3,723</b>	<b>\$937</b>	<b>\$688</b>	<b>(\$418)</b>	<b>\$276</b>	<b>\$291</b>	<b>\$174</b>	<b>\$439</b>	<b>\$214</b>

Description	Customer Care O&M Expenses (12)	Nuclear Fees (13)	Investor Relation Costs (14)	Hollydale Project (15)	PI EPU/LCM Split (16)	Xcel Energy Foundation Cost Correction (17)	Big-Stone Brookings Correction (18)	Bargaining Unit Wage Increase (19)	Theoretical Reserve Correction - Intangible (20)	NOL Correction (21)	Sales True Up (22)	Property Tax True Up (23)
<b>Operating Revenues</b>												
1 Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,294	\$0
2 Interdepartmental	0	0	0	0	0	0	0	0	0	0	241	0
3 Other Operating	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,535</b>	<b>\$0</b>
<b>Expenses</b>												
Operating Expenses:												
5 Fuel & Purchased Energy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Power Production	0	(1,000)	0	0	0	0	0	0	0	0	0	0
7 Transmission	0	0	0	0	0	0	0	0	0	0	0	0
8 Distribution	0	0	0	0	0	0	0	0	0	0	0	0
9 Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0
10 Customer Service & Information	(503)	0	0	0	0	0	0	0	0	0	0	0
11 Sales, Econ Dvlp & Other	0	0	0	0	0	0	0	0	0	0	0	0
12 Administrative & General	0	0	(78)	0	0	(115)	0	(405)	0	0	0	0
<b>13 Total Operating Expenses</b>	<b>(\$503)</b>	<b>(\$1,000)</b>	<b>(\$78)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$115)</b>	<b>\$0</b>	<b>(\$405)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
14 Depreciation	\$0	\$0	\$0	(\$0)	(\$57)	\$0	(\$47)	\$0	\$39	\$0	\$0	\$0
15 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes:												
16 Property	\$0	\$0	\$0	\$0	\$0	\$0	(\$2)	\$0	\$0	\$0	\$0	(\$4,189)
17 Deferred Income Tax & ITC	0	0	0	(1)	(212)	0	(429)	0	(16)	(379)	0	0
18 Federal & State Income Tax	208	414	32	4	245	47	463	168	1	150	15,528	1,733
19 Payroll & Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>20 Total Taxes</b>	<b>\$208</b>	<b>\$414</b>	<b>\$32</b>	<b>\$4</b>	<b>\$33</b>	<b>\$47</b>	<b>\$32</b>	<b>\$168</b>	<b>(\$15)</b>	<b>(\$229)</b>	<b>\$15,528</b>	<b>(\$2,456)</b>
<b>21 Total Expenses</b>	<b>(\$295)</b>	<b>(\$586)</b>	<b>(\$46)</b>	<b>\$4</b>	<b>(\$24)</b>	<b>(\$67)</b>	<b>(\$15)</b>	<b>(\$237)</b>	<b>\$24</b>	<b>(\$229)</b>	<b>\$15,528</b>	<b>(\$2,456)</b>
22 Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	(\$31)	\$0	\$93	\$0	\$0	\$0	\$0	\$0
<b>23 Total Operating Income</b>	<b>\$295</b>	<b>\$586</b>	<b>\$46</b>	<b>(\$4)</b>	<b>(\$7)</b>	<b>\$67</b>	<b>\$108</b>	<b>\$237</b>	<b>(\$24)</b>	<b>\$229</b>	<b>\$22,006</b>	<b>\$2,456</b>
<b>Calculation of Revenue Requirements</b>												
24 Rate Base	\$0	\$0	\$0	(\$388)	(\$1,418)	\$0	\$299	\$0	(\$106)	\$190	\$0	\$0
25 Required Operating Income	0	0	0	(29)	(106)	0	22	0	(8)	14	0	0
26 Operating Income	295	586	46	(4)	(7)	67	108	237	(24)	229	22,006	2,456
27 Income Deficiency	(295)	(586)	(46)	(25)	(99)	(67)	(86)	(237)	16	(215)	(22,006)	(2,456)
<b>28 Revenue Deficiency</b>	<b>(\$503)</b>	<b>(\$1,000)</b>	<b>(\$78)</b>	<b>(\$43)</b>	<b>(\$168)</b>	<b>(\$115)</b>	<b>(\$147)</b>	<b>(\$405)</b>	<b>\$28</b>	<b>(\$367)</b>	<b>(\$37,535)</b>	<b>(\$4,189)</b>
<b>Calculation of Income Taxes</b>												
29 Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,535	\$0
30 - Operating Exp	(503)	(1,000)	(78)	0	0	(115)	0	(405)	0	0	0	0
31 - Amortizations	0	0	0	0	0	0	0	0	0	0	0	0
32 - Taxes oth than Inc	0	0	0	0	0	0	(2)	0	0	0	0	(4,189)
<b>33 Operating Income before Adjs</b>	<b>\$503</b>	<b>\$1,000</b>	<b>\$78</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115</b>	<b>\$2</b>	<b>\$405</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,535</b>	<b>\$4,189</b>
34 Additions to Income	\$0	\$0	\$0	(\$0)	(\$14)	\$0	\$49	\$0	\$0	\$0	\$0	\$0
35 Deduct from Income	\$0	\$0	\$0	(\$2)	(\$574)	\$0	(\$1,074)	\$0	\$0	\$638	\$0	\$0
36 Debt Synchronization	\$0	\$0	\$0	(\$9)	(\$32)	\$0	\$7	\$0	(\$2)	\$4	\$0	\$0
<b>37 State Taxable Income</b>	<b>\$503</b>	<b>\$1,000</b>	<b>\$78</b>	<b>\$11</b>	<b>\$592</b>	<b>\$115</b>	<b>\$1,118</b>	<b>\$405</b>	<b>\$2</b>	<b>(\$642)</b>	<b>\$37,535</b>	<b>\$4,189</b>
38 State Income Tax before Credits	\$49	\$98	\$8	\$1	\$58	\$11	\$110	\$40	\$0	(\$63)	\$3,678	\$411
39 State Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$640)	\$0	\$0
<b>40 Federal Taxable Income</b>	<b>\$454</b>	<b>\$902</b>	<b>\$70</b>	<b>\$10</b>	<b>\$534</b>	<b>\$103</b>	<b>\$1,009</b>	<b>\$365</b>	<b>\$2</b>	<b>(\$1,219)</b>	<b>\$33,856</b>	<b>\$3,779</b>
41 Fed Income Tax before Credits	\$159	\$316	\$25	\$3	\$187	\$36	\$353	\$128	\$1	(\$427)	\$11,850	\$1,322
42 Federal Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>43 Income Tax</b>	<b>\$208</b>	<b>\$414</b>	<b>\$32</b>	<b>\$4</b>	<b>\$245</b>	<b>\$47</b>	<b>\$463</b>	<b>\$168</b>	<b>\$1</b>	<b>\$150</b>	<b>\$15,528</b>	<b>\$1,733</b>

Description	Monticello EPU 50/50 Used & Useful (24)	Retiree Medical Measure Date Update (25)	Commission Aviation (26)	PI EPU Debt Return Only (27)	NOL Adjustments (28)	CWC Adjustments (29)	Cost of Debt Change Impact on Baseline (30)	Return on Equity Change Impact on Baseline (31)	Cost of Debt Change Impact to Adjs (32)	Return on Equity Change Impact to Adjs (33)	Commission Decision 2014 Test Year (34)
<b>Operating Revenues</b>											
1 Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,826,039
2 Interdepartmental	0	0	0	0	0	0	0	0	0	0	962
3 Other Operating	0	0	0	2,846	0	0	0	0	0	0	621,402
4 <b>Total Operating Revenues</b>	\$0	\$0	\$0	\$2,846	\$0	\$0	\$0	\$0	\$0	\$0	\$3,448,403
<b>Expenses</b>											
Operating Expenses:											
5 Fuel & Purchased Energy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,086,327
6 Power Production	0	0	0	0	0	0	0	0	0	0	697,188
7 Transmission	0	0	0	0	0	0	0	0	0	0	191,916
8 Distribution	0	0	0	0	0	0	0	0	0	0	103,490
9 Customer Accounting	0	0	0	0	0	0	0	0	0	0	48,552
10 Customer Service & Information	0	0	0	0	0	0	0	0	0	0	92,987
11 Sales, Econ Dvlp & Other	0	0	0	0	0	0	0	0	0	0	101
12 Administrative & General	0	(1,269)	(840)	0	0	0	0	0	0	0	190,225
13 <b>Total Operating Expenses</b>	\$0	(\$1,269)	(\$840)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,410,786
14 Depreciation	(\$15,116)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$273,308
15 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,300
Taxes:											
16 Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,355
17 Deferred Income Tax & ITC	1,130	0	0	0	(22,877)	0	0	0	0	0	161,968
18 Federal & State Income Tax	6,474	525	348	1,178	23,290	(111)	1,104	0	(29)	0	(19,955)
19 Payroll & Other	0	0	0	0	0	0	0	0	0	0	29,409
20 <b>Total Taxes</b>	\$7,604	\$525	\$348	\$1,178	\$412	(\$111)	\$1,104	\$0	(\$29)	\$0	\$325,777
21 <b>Total Expenses</b>	(\$7,512)	(\$744)	(\$493)	\$1,178	\$412	(\$111)	\$1,104	\$0	(\$29)	\$0	\$3,041,171
22 Allowance for Funds Used During Construction	(\$225)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,864
23 <b>Total Operating Income</b>	\$7,287	\$744	\$493	\$1,669	(\$412)	\$111	(\$1,104)	\$0	\$29	\$0	\$442,096
<b>Calculation of Revenue Requirements</b>											
24 Rate Base	(\$198,105)	\$0	\$0	\$0	\$11,439	\$11,721	\$0	\$0	\$0	\$0	\$6,493,649
25 Required Operating Income	(14,759)	0	0	0	852	873	(2,668)	(4,669)	71	124	476,634
26 Operating Income	7,287	744	493	1,669	(412)	111	(1,104)	0	29	0	442,096
27 Income Deficiency	(22,046)	(744)	(493)	(1,669)	1,265	763	(1,564)	(4,669)	41	124	34,538
28 <b>Revenue Deficiency</b>	<b>(\$37,601)</b>	<b>(\$1,269)</b>	<b>(\$840)</b>	<b>(\$2,846)</b>	<b>\$2,157</b>	<b>\$1,301</b>	<b>(\$2,668)</b>	<b>(\$7,964)</b>	<b>\$71</b>	<b>\$211</b>	<b>\$58,908</b>
<b>Calculation of Income Taxes</b>											
29 Operating Revenue	\$0	\$0	\$0	\$2,846	\$0	\$0	\$0	\$0	\$0	\$0	\$3,448,403
30 - Operating Exp	0	(1,269)	(840)	0	0	0	0	0	0	0	2,410,786
31 - Amortizations	0	0	0	0	0	0	0	0	0	0	31,300
32 - Taxes oth than Inc	0	0	0	0	0	0	0	0	0	0	183,764
33 <b>Operating Income before Adjs</b>	\$0	\$1,269	\$840	\$2,846	\$0	\$0	\$0	\$0	\$0	\$0	\$822,554
34 Additions to Income	(\$24)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$215,044
35 Deduct from Income	(\$11,157)	\$0	\$0	\$0	(\$57,562)	\$0	\$0	\$0	\$0	\$0	\$939,370
36 Debt Synchronization	(\$4,517)	\$0	\$0	\$0	\$261	\$267	(\$2,668)	\$0	\$71	\$0	\$145,458
37 <b>State Taxable Income</b>	\$15,649	\$1,269	\$840	\$2,846	\$57,302	(\$267)	\$2,668	\$0	(\$71)	\$0	(\$47,230)
38 State Income Tax before Credits	\$1,534	\$124	\$82	\$279	\$5,616	(\$26)	\$261	\$0	(\$7)	\$0	(\$4,628)
39 State Tax Credits	\$0	\$0	\$0	\$0	\$640	\$0	\$0	\$0	\$0	\$0	\$640
40 <b>Federal Taxable Income</b>	\$14,115	\$1,144	\$758	\$2,567	\$52,326	(\$241)	\$2,407	\$0	(\$64)	\$0	(\$41,961)
41 Fed Income Tax before Credits	\$4,940	\$400	\$265	\$899	\$18,314	(\$84)	\$842	\$0	(\$22)	\$0	(\$14,686)
42 Federal Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 <b>Income Tax</b>	\$6,474	\$525	\$348	\$1,178	\$23,290	(\$111)	\$1,104	\$0	(\$29)	\$0	(\$19,955)



<u>Description</u>	<b>Proposed 2015 STEP</b> (1)	<b>Monticello EPU 50/50 STEP</b> (2)	<b>2015 Retirement Adjustment</b> (3)	<b>NOL Adjustments</b> (4)	<b>CWC Adjustments</b> (5)	<b>Commission Decision 2015 STEP Rate Base</b> (6)
Electric Plant as Booked						
1 Production	\$335,782	\$306,321	\$0	\$0	\$0	\$642,103
2 Transmission	\$101,145	\$0	\$0	\$0	\$0	\$101,145
3 Distribution	\$39,565	\$0	(\$41,393)	\$0	\$0	(\$1,828)
4 General	\$12,133	\$0	\$0	\$0	\$0	\$12,133
5 Common	\$0	\$0	\$0	\$0	\$0	\$0
6 TOTAL Utility Plant in Service	\$488,625	\$306,321	(\$41,393)	\$0	\$0	\$753,553
Reserve for Depreciation						
7 Production	\$7,736	\$47,193	\$0	\$0	\$0	\$54,929
8 Transmission	(\$48,565)	\$0	\$0	\$0	\$0	(\$48,565)
9 Distribution	(\$37,554)	\$0	(\$41,663)	\$0	\$0	(\$79,217)
10 General	(\$1,480)	\$0	\$0	\$0	\$0	(\$1,480)
11 Common	\$1,391	\$0	\$0	\$0	\$0	\$1,391
12 TOTAL Reserve for Depreciation	(\$78,472)	\$47,193	(\$41,663)	\$0	\$0	(\$72,943)
Net Utility Plant in Service						
13 Production	\$328,046	\$259,128	\$0	\$0	\$0	\$587,174
14 Transmission	\$149,710	\$0	\$0	\$0	\$0	\$149,710
15 Distribution	\$77,119	\$0	\$271	\$0	\$0	\$77,390
16 General	\$13,613	\$0	\$0	\$0	\$0	\$13,613
17 Common	(\$1,391)	\$0	\$0	\$0	\$0	(\$1,391)
18 Net Utility Plant in Service	\$567,097	\$259,128	\$271	\$0	\$0	\$826,496
19 Utility Plant Held for Future Use	\$0	\$0	\$0	\$0	\$0	\$0
20 Construction Work in Progress	(\$69,799)	(\$41,726)	\$0	\$0	\$0	(\$111,525)
21 Less: Accumulated Deferred Income Taxes	\$79,039	\$48,667	\$109	(\$1,608)	\$0	\$126,206
22 Cash Working Capital	(\$6,754)	\$0	\$0	\$0	\$2,562	(\$4,192)
Other Rate Base Items:						
23 Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
24 Fuel Inventory	\$0	\$0	\$0	\$0	\$0	\$0
25 Non-Plant Assets & Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
26 Prepayments	\$0	\$0	\$0	\$0	\$0	\$0
27 Nuclear Outage Amortization	\$0	\$0	\$0	\$0	\$0	\$0
28 Customer Advances	\$0	\$0	\$0	\$0	\$0	\$0
29 Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30 Sherco 3 Deferral	\$0	\$0	\$0	\$0	\$0	\$0
31 Black Dog Reg Asset Amortization	\$0	\$0	\$0	\$0	\$0	\$0
32 PI EPU Amortization	\$0	\$0	\$0	\$0	\$0	\$0
33 Other Working Capital	\$0	\$0	\$0	\$0	\$0	\$0
34 Total Other Rate Base Items	\$0	\$0	\$0	\$0	\$0	\$0
35 Total Average Rate Base	\$411,505	\$168,735	\$162	\$1,608	\$2,562	\$584,573

<u>Description</u>	<b>Commission Decision 2014 Test Year (1)</b>	<b>Commission Decision 2015 STEP (2)</b>	<b>Commission Decision 2014 &amp; 2015 STEP (3)</b>
Electric Plant as Booked			
1 Production	\$7,952,590	\$642,103	\$8,594,692
2 Transmission	\$1,999,645	\$101,145	\$2,100,790
3 Distribution	\$3,019,969	(\$1,828)	\$3,018,141
4 General	\$499,761	\$12,133	\$511,894
5 Common	\$454,709	\$0	\$454,709
6 TOTAL Utility Plant in Service	\$13,926,674	\$753,553	\$14,680,227
Reserve for Depreciation			
7 Production	\$4,452,331	\$54,929	\$4,507,259
8 Transmission	\$566,980	(\$48,565)	\$518,415
9 Distribution	\$1,184,480	(\$79,217)	\$1,105,263
10 General	\$179,709	(\$1,480)	\$178,229
11 Common	\$243,128	\$1,391	\$244,519
12 TOTAL Reserve for Depreciation	\$6,626,628	(\$72,943)	\$6,553,685
Net Utility Plant in Service			
13 Production	\$3,500,258	\$587,174	\$4,087,432
14 Transmission	\$1,432,666	\$149,710	\$1,582,376
15 Distribution	\$1,835,489	\$77,390	\$1,912,879
16 General	\$320,052	\$13,613	\$333,665
17 Common	\$211,581	(\$1,391)	\$210,190
18 Net Utility Plant in Service	\$7,300,046	\$826,496	\$8,126,542
19 Utility Plant Held for Future Use	\$0		\$0
20 Construction Work in Progress	\$529,838	(\$111,525)	\$418,313
21 Less: Accumulated Deferred Income Taxes	\$1,604,789	\$126,206	\$1,730,995
22 Cash Working Capital	(\$74,321)	(\$4,192)	(\$78,513)
Other Rate Base Items:			
23 Materials and Supplies	\$116,514	\$0	\$116,514
24 Fuel Inventory	\$74,663	\$0	\$74,663
25 Non-Plant Assets & Liabilities	(\$12,904)	\$0	(\$12,904)
26 Prepayments	\$14,103	\$0	\$14,103
27 Nuclear Outage Amortization	\$82,801	\$0	\$82,801
28 Customer Advances	(\$3,301)	\$0	(\$3,301)
29 Customer Deposits	(\$2,763)	\$0	(\$2,763)
30 Sherco 3 Deferral	\$10,250	\$0	\$10,250
31 Black Dog Reg Asset Amortization	\$2,962	\$0	\$2,962
32 PI EPU Amortization	\$55,349	\$0	\$55,349
33 Other Working Capital	\$5,202	\$0	\$5,202
34 Total Other Rate Base Items	\$342,875	\$0	\$342,875
35 Total Average Rate Base	\$6,493,649	\$584,573	\$7,078,222

Description	Proposed 2015 STEP @ Last Authorized ROR (1)	Pleasant Valley and Border Winds (2)	Property Taxes (3)	Emissions Control Chemical Costs (4)	Rate Moderation - DOE Settlement Funds (5)	C&I Customer (6)	Monticello EPU 50/50 STEP (7)	Monticello LCM/EPU Rate Base No Return (8)	2015 Retirement Adjustment (9)	NOL Adjustments (10)	CWC Adjustments (11)	Cost of Debt on 2014 Rate Base (12)	Cost of Debt Change Impact on Baseline (13)	Return on Equity Change Impact on Baseline (14)	Cost of Debt Change Impact to Adjs (15)	Return on Equity Change Impact to Adjs (16)	Commission Decision 2015 STEP (17)
<b>Operating Revenues</b>																	
1 Retail	\$0	\$0	\$0	\$0	\$0	\$622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$622
2 Interdepartmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Other Operating	37,887	11,093	0	0	(10,103)	0	0	17,952	0	0	0	0	0	0	0	0	56,829
4 <b>Total Operating Revenues</b>	<b>\$37,887</b>	<b>\$11,093</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,103)</b>	<b>\$622</b>	<b>\$0</b>	<b>\$17,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,451</b>
<b>Expenses</b>																	
Operating Expenses:																	
5 Fuel & Purchased Energy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Power Production	5,959	0	0	(1,580)	0	0	0	0	0	0	0	0	0	0	0	0	4,379
7 Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Distribution	(173)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(173)
9 Customer Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Customer Service & Information	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Sales, Econ Dvlp & Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Administrative & General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 <b>Total Operating Expenses</b>	<b>\$5,786</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,580)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,206</b>
14 Depreciation	66,977	\$0	\$0	\$0	\$0	\$0	\$15,523	\$0	(\$542)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,958
15 Amortization	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes:																	
16 Property	7,325	\$0	(\$3,309)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,016
17 Deferred Income Tax & ITC	19,614	0	0	0	0	0	(1,799)	0	217	(3,217)	0	0	0	0	0	0	14,815
18 Federal & State Income Tax	(\$40,803)	4,589	1,369	654	(4,180)	258	(5,741)	7,427	(2)	3,160	(24)	(806)	17	0	7	0	(34,074)
19 Payroll & Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 <b>Total Taxes</b>	<b>(\$13,864)</b>	<b>\$4,589</b>	<b>(\$1,940)</b>	<b>\$654</b>	<b>(\$4,180)</b>	<b>\$258</b>	<b>(\$7,540)</b>	<b>\$7,427</b>	<b>\$216</b>	<b>(\$57)</b>	<b>(\$24)</b>	<b>(\$806)</b>	<b>\$17</b>	<b>\$0</b>	<b>\$7</b>	<b>\$0</b>	<b>(\$15,243)</b>
21 <b>Total Expenses</b>	<b>\$58,899</b>	<b>\$4,589</b>	<b>(\$1,940)</b>	<b>(\$926)</b>	<b>(\$4,180)</b>	<b>\$258</b>	<b>\$7,983</b>	<b>\$7,427</b>	<b>(\$326)</b>	<b>(\$57)</b>	<b>(\$24)</b>	<b>(\$806)</b>	<b>\$17</b>	<b>\$0</b>	<b>\$7</b>	<b>\$0</b>	<b>\$70,921</b>
22 Allowance for Funds Used During Const	(\$5,284)	\$0	\$0	\$0	\$0	\$0	(\$225)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,509)
23 <b>Total Operating Income</b>	<b>(\$26,296)</b>	<b>\$6,504</b>	<b>\$1,940</b>	<b>\$926</b>	<b>(\$5,923)</b>	<b>\$365</b>	<b>(\$8,208)</b>	<b>\$10,525</b>	<b>\$326</b>	<b>\$57</b>	<b>\$24</b>	<b>\$806</b>	<b>(\$17)</b>	<b>\$0</b>	<b>(\$7)</b>	<b>\$0</b>	<b>(\$18,979)</b>
<b>Calculation of Revenue Requirements</b>																	
24 Rate Base	\$411,505	\$0	\$0	\$0	\$0	\$0	\$168,735	\$0	\$162	\$1,608	\$2,562	-	\$0	\$0	\$0	\$0	\$584,573
25 Required Operating Income	30,657	0	0	0	0	0	12,571	0	12	120	191	1,948	(41)	(288)	(17)	(121)	45,031
26 Operating Income	(26,296)	6,504	1,940	926	(5,923)	365	(8,208)	10,525	326	57	24	806	(17)	0	(7)	0	(18,979)
27 Income Deficiency	56,953	(6,504)	(1,940)	(926)	5,923	(365)	20,779	(10,525)	(314)	63	167	1,142	(24)	(288)	(10)	(121)	64,010
28 <b>Revenue Deficiency</b>	<b>\$97,140</b>	<b>(\$11,093)</b>	<b>(\$3,309)</b>	<b>(\$1,580)</b>	<b>\$10,103</b>	<b>(\$622)</b>	<b>\$35,440</b>	<b>(\$17,952)</b>	<b>(\$536)</b>	<b>\$108</b>	<b>\$284</b>	<b>\$1,948</b>	<b>(\$41)</b>	<b>(\$491)</b>	<b>(\$17)</b>	<b>(\$207)</b>	<b>\$109,176</b>
<b>Calculation of Income Taxes</b>																	
29 Operating Revenue	\$37,887	\$11,093	\$0	\$0	(\$10,103)	\$622	\$0	\$17,952	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57,451
30 - Operating Exp	5,786	0	0	(1,580)	0	0	0	0	0	0	0	0	0	0	0	0	4,206
31 - Amortizations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 - Taxes oth than Inc	7,325	0	(3,309)	0	0	0	0	0	0	0	0	0	0	0	0	0	4,016
33 <b>Operating Income before Adjs</b>	<b>\$24,776</b>	<b>\$11,093</b>	<b>\$3,309</b>	<b>\$1,580</b>	<b>(\$10,103)</b>	<b>\$622</b>	<b>\$0</b>	<b>\$17,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,229</b>
34 Additions to Income	(\$3,202)	\$0	\$0	\$0	\$0	\$0	(\$24)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,226)
35 Deduct from Income	\$110,820	\$0	\$0	\$0	\$0	\$0	\$10,005	\$0	\$0	\$8,045	\$0	\$0	\$0	\$0	\$0	\$0	\$128,870
36 Debt Synchronization	\$9,382	\$0	\$0	\$0	\$0	\$0	\$3,847	\$0	\$4	\$37	\$58	\$1,948	(\$41)	\$0	(\$17)	\$0	\$15,218
37 State Taxable Income	(\$98,628)	\$11,093	\$3,309	\$1,580	(\$10,103)	\$622	(\$13,877)	\$17,952	(\$4)	(\$8,082)	(\$58)	(\$1,948)	\$41	\$0	\$17	\$0	(\$98,086)
38 State Income Tax before Credits	(\$9,666)	\$1,087	\$324	\$155	(\$990)	\$61	(\$1,360)	\$1,759	(\$0)	(\$792)	(\$6)	(\$191)	\$4	\$0	\$2	\$0	(\$9,612)
39 State Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Federal Taxable Income	(\$88,963)	\$10,006	\$2,984	\$1,425	(\$9,113)	\$561	(\$12,517)	\$16,192	(\$3)	(\$7,290)	(\$53)	(\$1,757)	\$37	\$0	\$16	\$0	(\$88,473)
41 Fed Income Tax before Credits	(\$31,137)	\$3,502	\$1,045	\$499	(\$3,189)	\$197	(\$4,381)	\$5,667	(\$1)	(\$2,551)	(\$18)	(\$615)	\$13	\$0	\$5	\$0	(\$30,966)
42 Federal Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,504)	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,504)
43 <b>Income Tax</b>	<b>(\$40,803)</b>	<b>\$4,589</b>	<b>\$1,369</b>	<b>\$654</b>	<b>(\$4,180)</b>	<b>\$258</b>	<b>(\$5,741)</b>	<b>\$7,427</b>	<b>(\$2)</b>	<b>\$3,160</b>	<b>(\$24)</b>	<b>(\$806)</b>	<b>\$17</b>	<b>\$0</b>	<b>\$7</b>	<b>\$0</b>	<b>(\$34,074)</b>

Description	Commission Decision 2014 Test Year (1)	Commission Decision 2015 STEP (2)	Commission Decision 2014 & 2015 STEP (3)
<b>Operating Revenues</b>			
1 Retail	\$2,826,039	\$622	\$2,826,661
2 Interdepartmental	962	0	962
3 Other Operating	621,402	56,829	678,231
4 Total Operating Revenues	\$3,448,403	\$57,451	\$3,505,854
<b>Expenses</b>			
Operating Expenses:			
5 Fuel & Purchased Energy	\$1,086,327	\$0	\$1,086,327
6 Power Production	697,188	4,379	701,567
7 Transmission	191,916	0	191,916
8 Distribution	103,490	(173)	103,317
9 Customer Accounting	48,552	0	48,552
10 Customer Service & Information	92,987	0	92,987
11 Sales, Econ Dvlp & Other	101	0	101
12 Administrative & General	190,225	0	190,225
13 Total Operating Expenses	\$2,410,786	\$4,206	\$2,414,992
14 Depreciation	\$273,308	\$81,958	\$355,266
15 Amortization	\$31,300	\$0	\$31,300
<b>Taxes:</b>			
16 Property	\$154,355	\$4,016	\$158,371
17 Deferred Income Tax & ITC	161,968	14,815	176,783
18 Federal & State Income Tax	(19,955)	(34,074)	(54,029)
19 Payroll & Other	29,409	0	29,409
20 Total Taxes	\$325,777	(\$15,243)	\$310,534
21 Total Expenses	\$3,041,171	\$70,921	\$3,112,091
22 Allowance for Funds Used During Construction	\$34,864	(\$5,509)	\$29,355
23 Total Operating Income	\$442,096	(\$18,979)	\$423,118
<b>Calculation of Revenue Requirements</b>			
24 Rate Base	\$6,493,649	\$584,573	\$7,078,222
25 Required Operating Income	476,634	45,031	521,665
26 Operating Income	442,096	(18,979)	423,117
27 Income Deficiency	34,538	64,010	98,548
28 Revenue Deficiency	<b>\$58,908</b>	<b>\$109,176</b>	<b>\$168,084</b>
<b>Calculation of Income Taxes</b>			
29 Operating Revenue	\$3,448,403	\$57,451	\$3,505,854
30 - Operating Exp	2,410,786	4,206	2,414,992
31 - Amortizations	31,300	0	31,300
32 - Taxes oth than Inc	183,764	4,016	187,780
33 Operating Income before Adjs	\$822,554	\$49,229	\$871,783
34 Additions to Income	\$215,044	(\$3,226)	\$211,818
35 Deduct from Income	\$939,370	\$128,870	\$1,068,240
36 Debt Synchronization	\$145,458	\$15,218	\$160,676
37 State Taxable Income	(\$47,230)	(\$98,086)	(\$145,315)
38 State Income Tax before Credits	(\$4,628)	(\$9,612)	(\$14,241)
39 State Tax Credits	\$640	\$0	\$640
40 Federal Taxable Income	(\$41,961)	(\$88,473)	(\$130,434)
41 Fed Income Tax before Credits	(\$14,686)	(\$30,966)	(\$45,652)
42 Federal Tax Credits	\$0	(\$6,504)	(\$6,504)
43 Income Tax	(\$19,955)	(\$34,074)	(\$54,029)

	a		b		c = a + b		d		e = d - c		f	
	As-Filed 2014 Test Year		Used & Useful Adjustment		Remaining 2014 Level		As-Filed 2015 Level		Step Amount before No Return		No Return in 2015 on \$333m	
	Adjusted	After I/A	Adjusted	After I/A	Adjusted	After I/A	Adjusted	After I/A	Adjusted	After I/A	Adjusted	After I/A
<u>Rate Analysis</u>	Total Co	MN Jur	Total Co	MN Jur	Total Co	MN Jur	Total Co	MN Jur	Total Co	MN Jur	Total Co	MN Jur
		74.3399%		74.3399%		74.3399%		73.9969%		73.9969%		73.9969%
1 Plant Investment	605,591	450,196	(302,796)	(225,098)	302,796	225,098	718,163	531,418	415,368	306,321	(320,404)	(237,089)
2 RWIP	24,413	18,149	(12,207)	(9,074)	12,207	9,074	28,234	20,892	16,027	11,818	(12,596)	(9,321)
3 Plant plus RWIP											(333,000)	(246,410)
4 Depreciation Reserve w/o RWIP	70,106	52,116	(35,053)	(26,058)	35,053	26,058	114,962	85,069	79,910	59,010	(51,290)	(37,953)
5 CWIP	112,257	83,451	(56,128)	(41,726)	56,128	41,726	-	-	(56,128)	(41,726)	-	-
6 Accumulated Deferred Taxes	139,183	103,469	(69,592)	(51,734)	69,592	51,734	135,683	100,401	66,092	48,667	(60,534)	(44,793)
7	532,972	396,211	(266,486)	(198,105)	266,486	198,105	495,751	366,841	229,265	168,735	(221,176)	(163,663)
8												
9 Average Rate Base	532,972	396,211	(266,486)	(198,105)	266,486	198,105	495,751	366,841	229,265	168,735	(221,176)	(163,663)
10												
11 Debt Return	12,152	9,034	(6,076)	(4,517)	6,076	4,517	11,303	8,364	5,227	3,847	(5,021)	(3,715)
12 Equity Return	27,555	20,484	(13,777)	(10,242)	13,777	10,242	25,630	18,966	11,853	8,724	(11,280)	(8,347)
13 Current Income Tax Requirement	24,433	18,163	(12,217)	(9,082)	12,216	9,082	24,329	18,002	12,112	8,921	(7,959)	(5,890)
14												
15												
16 Book Depreciation	40,668	30,232	(20,334)	(15,116)	20,334	15,116	41,406	30,639	21,072	15,523	-	-
17 Annual Deferred Tax	(3,041)	(2,261)	1,521	1,130	(1,521)	(1,130)	(3,959)	(2,930)	(2,438)	(1,799)	-	-
18 ITC Flow Thru	-	-	-	-	-	-	-	-	-	-	-	-
19 Tax Depr & Removal Expense	30,015	22,313	(15,008)	(11,157)	15,008	11,157	28,598	21,162	13,591	10,005	-	-
20 AFUDC Expenditure	606	450	(303)	(225)	303	225	-	-	(303)	(225)	-	-
21 Avoided Tax Interest	66	49	(33)	(24)	33	24	-	-	(33)	(24)	-	-
22 Total Revenue Requirements	101,160	75,202	(50,580)	(37,601)	50,580	37,601	98,709	73,041	48,129	35,440	(24,260)	(17,952)

**At Last Authorized**

**At Newly Authorized**

<u>Capital Structure</u>	Weighted			Weighted		
	Rate	Ratio	Cost	Rate	Ratio	Cost
Long Term Debt	5.0200%	45.3000%	2.2700%	4.9400%	45.6100%	2.2500%
Short Term Debt	0.6800%	2.1400%	0.0100%	1.1200%	1.8900%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity	9.8300%	52.5600%	5.1700%	9.7200%	52.5000%	5.1000%
Required Rate of Return			7.4500%			7.3700%
PT Rate						
Tax Rate (MN)	41.3700%			41.3700%		

Description Reference	2014 Test Year		2015 STEP			
	Monticello EPU 50/50 Used & Useful		Monticello EPU 50/50 STEP		Monticello LCM/EPU Rate Base No Return	
	Appx A5, col 24	Source	Appx A7, col 7	Source	Appx A7, col 8	Source
<b>Operating Revenues</b>						
1 Retail	\$0		\$0		\$0	
2 Interdepartmental	0		0		0	
3 Other Operating	0		0		17,952	Pg 1, col f, line 22
4 <b>Total Operating Revenues</b>	<u>\$0</u>		<u>\$0</u>		<u>\$17,952</u>	calculated
<b>Expenses</b>						
Operating Expenses:						
5 Fuel & Purchased Energy	\$0		\$0		\$0	
6 Power Production	0		0		0	
7 Transmission	0		0		0	
8 Distribution	0		0		0	
9 Customer Accounting	0		0		0	
10 Customer Service & Information	0		0		0	
11 Sales, Econ Dvlp & Other	0		0		0	
12 Administrative & General	0		0		0	
13 <b>Total Operating Expenses</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
14 Depreciation	(\$15,116)	Pg 1, col b, line 16	\$15,523	Pg 1, col e, line 16	\$0	
15 Amortization	\$0		\$0		\$0	
Taxes:						
16 Property	\$0		\$0		\$0	
17 Deferred Income Tax & ITC	1,130	Pg 1, col b, line 17	(1,799)	Pg 1, col e, line 17	0	
18 Federal & State Income Tax	6,474	from below (line 43)	(5,741)	from below (line 43)	7,427	from below (line 43)
19 Payroll & Other	0		0		0	
20 <b>Total Taxes</b>	<u>\$7,604</u>	calculated	<u>(\$7,540)</u>	calculated	<u>\$7,427</u>	calculated
21 <b>Total Expenses</b>	<u>(\$7,512)</u>	calculated	<u>\$7,983</u>		<u>\$7,427</u>	
22 Allowance for Funds Used During Cor	(\$225)	Pg 1, col b, line 20	(\$225)	Pg 1, col e, line 20	\$0	
23 <b>Total Operating Income</b>	<u><u>\$7,287</u></u>	calculated	<u><u>(\$8,208)</u></u>		<u><u>\$10,525</u></u>	
<b>Calculation of Revenue Requirements</b>						
24 Rate Base	(\$198,105)	Pg 1, col b, line 7	\$168,735	Pg 1, col e, line 7	\$0	
25 Required Operating Income	(14,759)	calculated	12,571	calculated	0	
26 Operating Income	7,287	calculated	(8,208)	calculated	10,525	calculated
27 Income Deficiency	(22,046)	calculated	20,779	calculated	(10,525)	calculated
28 <b>Revenue Deficiency</b>	<u><u>(\$37,601)</u></u>	calculated	<u><u>\$35,440</u></u>	calculated	<u><u>(\$17,952)</u></u>	calculated
<b>Calculation of Income Taxes</b>						
29 Operating Revenue	\$0		\$0		\$17,952	from above (line 4)
30 - Operating Exp	0		0		0	
31 - Amortizations	0		0		0	
32 - Taxes oth than Inc	0		0		0	
33 <b>Operating Income before Adjs</b>	<u>\$0</u>		<u>\$0</u>		<u>\$17,952</u>	calculated
34 Additions to Income	(\$24)	Pg 1, col b, line 21	(\$24)	Pg 1, col e, line 21	\$0	
35 Deduct from Income	(\$11,157)	Pg 1, col b, line 19	\$10,005	Pg 1, col e, line 19	\$0	
39 Debt Synchronization	(\$4,517)	Pg 1, col b, line 11	\$3,847	Pg 1, col e, line 11	\$0	
37 <b>State Taxable Income</b>	<u>\$15,649</u>	calculated	<u>(\$13,877)</u>	calculated	<u>\$17,952</u>	calculated
38 State Income Tax before Credits	\$1,534	calculated	(\$1,360)	calculated	\$1,759	calculated
39 State Tax Credits	\$0		\$0		\$0	
40 <b>Federal Taxable Income</b>	<u>\$14,115</u>	calculated	<u>(\$12,517)</u>	calculated	<u>\$16,192</u>	calculated
41 Fed Income Tax before Credits	\$4,940	calculated	(\$4,381)	calculated	\$5,667	calculated
42 Federal Tax Credits	\$0		\$0		\$0	
43 <b>Income Tax</b>	<u><u>\$6,474</u></u>	calculated	<u><u>(\$5,741)</u></u>	calculated	<u><u>\$7,427</u></u>	calculated

Northern States Power Company  
 Electric Utility - State of Minnesota  
**Xcel Energy Aviation Expenses**  
**Commission Decision**

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A9, Page 1 of 1

	Aviation Expenses	
Total Flights	3,688	a
Cost per Flight	\$ 1,589	b
Total Aviation Costs	<u>\$ 5,861,060</u>	c = a * b
NSPM Allocation	40.14%	d
NSPM Electric Allocation	92.62%	e
MN Jur Allocation	87.61%	f
Rate Case Treatment	50.00%	g
Total Aviation costs in Rate Case Test Year	\$ 954,426	h = c * d * e * f * g
Total Non-Recoverable Flights	3,248	i
PUC Order Point Disallowances	<u>\$ (840,439)</u>	j = i * b * d * e * f * g
<b>Recoverable Costs after Disallowances</b>	<b>\$ 113,987</b>	k = h + j

Calculation of Additional Disallowance (PUC Order Points)

Cost per Flight	\$ 1,589	
Total Disallowed Flights	3,248	
Personal Travel	34	Decision Alt D13
Investor Relations	45	Decision Alt D13
Business Area Travel	1,668	Decision Alt D16
Director Travel	615	Decision Alt D16
Manager Travel	55	Decision Alt D16
Xcel Executive Business Travel	831	Decision Alt D16
Total Costs for all Flights	\$ 5,161,072	
Allocation to total NSPM	40.14%	
Allocation to NSPM Electric	92.62%	
Allocation to MN Jur Electric	87.61%	
Rate Case Treatment	50.00%	
<b>Total Additional Disallowance</b>	<b>\$ 840,439</b>	

Northern States Power Company  
 Electric Utility - State of Minnesota  
**CIP Program Rider**  
**Expense and Revenue**  
 (\$000's)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A10 - Page 1 of 8

		TY 2014 Filed	TY 2014 Rebuttal	TY 2014 Act W/Norm	TY 2015 Act W/Norm
1.	TY CIP Expense	\$ 90,716	\$ 90,716	\$ 90,716	\$ 90,716
2.	TY MN MWH Sales	30,243,571	30,468,251	30,769,436	30,785,036
3.	TY CIP Exempt Sales	<u>1,806,930</u>	<u>1,806,930</u>	<u>1,806,930</u>	<u>1,806,930</u>
4.	<b>Net CIP MWH Sales</b> (2-3)	28,436,641	28,661,321	28,962,505	28,978,105
5.	<b>Present CCRC ( ¢ /kWh)</b>	0.3051	0.3051	0.3051	0.3051
6.	CCRC Revenue (4x5)	\$ 86,760	\$ 87,446	\$ 88,365	\$ 88,412
7.	CIP Adj Factor Revenue (1-6)	<u>\$ 3,956</u>	<u>\$ 3,270</u>	<u>\$ 2,351</u>	<u>\$ 2,304</u>
8.	Total CIP Revenue (6+7)	\$ 90,716	\$ 90,716	\$ 90,716	\$ 90,716
9.	CIP Adj - Change from Filed		-\$ 685	-\$ 1,604	-\$ 1,652
10.	CIP Adj - Change from Rebuttal			-\$ 919	-\$ 967
11.	<b>Proposed CCRC ( ¢ /kWh)</b> (1/4)	0.3190	0.3165	0.3132	0.3130



Northern States Power Company  
 Electric Utility - State of Minnesota  
**Revenue Adjustments**  
 (\$000's)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule A10 - Page 2 of 8

	As filed with CIP	Total Adj YE Update	Total YE Update w/o CIP Adj	CIP Adj	Revised YE Update w/ CIP Adj	Revised Total Adj YE Update
<b>Yr 2014</b>						
RES	964,252	20,626	984,878	-31	984,847	20,595
RSH	38,185	1,266	39,452	-3	39,448	1,263
SCI	1,168,886	30,644	1,199,529	-75	1,199,454	30,568
LCI	587,389	-13,705	573,684	-790	572,894	-14,495
LTG	22,377	-158	22,219	-4	22,215	-162
OPA	7,656	-451	7,205	-24	7,181	-475
Retail	2,788,745	38,221	2,826,966	-928	2,826,039	37,294
ID	722	232	954	9	962	241
Total	2,789,466	38,454	2,827,920	-919	2,827,001	37,535
<b>Yr 2015</b>						
RES	964,252	20,523	984,775	-56	984,719	20,467
RSH	38,185	1,261	39,447	-5	39,442	1,257
SCI	1,168,886	30,473	1,199,359	-117	1,199,242	30,357
LCI	587,389	-12,755	574,634	-769	573,865	-13,524
LTG	22,377	-159	22,218	-5	22,213	-164
OPA	7,656	-452	7,204	-24	7,180	-476
Retail	2,788,745	38,891	2,827,636	-975	2,826,661	37,916
ID	722	232	954	8	962	241
Total	2,789,466	39,124	2,828,590	-967	2,827,623	38,157

**COMPARISON OF PRESENT REVENUE (\$1,000's), SALES AND CUSTOMER BILLS  
 Rebuttal and Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2014**

	<b>MWH Sales</b>	<b>Base Revenue</b>	<b>Total Revenue</b>	<b>Customer Bills</b>
<b>REBUTTAL</b>				
RES	8,210,633	\$735,619	\$946,515	12,974,711
RSH	390,125	27,792	37,764	387,583
Small C&I	13,361,206	801,347	1,141,339	1,558,686
Large C&I	8,282,742	353,094	558,819	5,360
PSHL	141,919	19,144	21,733	22,952
OSPA	73,556	5,778	7,666	25,064
ID	8,070	464	670	117
<b>Total</b>	<b>30,468,251</b>	<b>\$1,943,238</b>	<b>\$2,714,506</b>	<b>14,974,473</b>
<b>JAN - DEC UPDATE</b>				
RES	8,366,146	\$747,683	\$984,847	12,974,757
RSH	396,824	28,249	39,448	388,285
Small C&I	13,605,514	816,980	1,199,454	1,559,265
Large C&I	8,179,537	347,883	572,894	5,254
PSHL	143,362	19,208	22,215	22,952
OSPA	66,823	5,288	7,181	25,079
ID	11,228	645	962	133
<b>Total</b>	<b>30,769,436</b>	<b>\$1,965,937</b>	<b>\$2,827,001</b>	<b>14,975,725</b>
<b>Increase</b>				
RES	155,514	\$12,063	\$38,332	46
RSH	6,699	457	1,684	702
Small C&I	244,308	15,633	58,114	579
Large C&I	-103,205	-5,211	14,075	-106
PSHL	1,443	64	482	0
OSPA	-6,733	-489	-485	15
ID	3,158	182	292	16
<b>Total</b>	<b>301,184</b>	<b>\$22,698</b>	<b>\$112,495</b>	<b>1,252</b>
<b>Increase%</b>				
RES	1.9%	1.6%	4.0%	0.0%
RSH	1.7%	1.6%	4.5%	0.2%
Small C&I	1.8%	2.0%	5.1%	0.0%
Large C&I	-1.2%	-1.5%	2.5%	-2.0%
PSHL	1.0%	0.3%	2.2%	0.0%
OSPA	-9.2%	-8.5%	-6.3%	0.1%
ID	39.1%	39.1%	43.6%	13.7%
<b>Total</b>	<b>1.0%</b>	<b>1.2%</b>	<b>4.1%</b>	<b>0.0%</b>

**COMPARISON OF PRESENT REVENUE (\$1,000's), SALES AND CUSTOMER BILLS  
 Rebuttal and Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2015**

	<b>MWH Sales</b>	<b>Base Revenue</b>	<b>Total Revenue</b>	<b>Customer Bills</b>
<b>REBUTTAL</b>				
RES	8,210,633	\$735,619	\$946,515	12,974,711
RSH	390,125	27,792	37,764	387,583
Small C&I	13,361,206	801,347	1,141,339	1,558,686
Large C&I	8,282,742	353,094	558,819	5,360
PSHL	141,919	19,144	21,733	22,952
OSPA	73,556	5,778	7,666	25,064
ID	8,070	464	670	117
<b>Total</b>	<b>30,468,251</b>	<b>\$1,943,238</b>	<b>\$2,714,506</b>	<b>14,974,473</b>
<b>JAN - DEC UPDATE</b>				
RES	8,366,146	\$747,686	\$984,719	12,974,757
RSH	396,824	28,249	39,442	388,285
Small C&I	13,605,514	816,980	1,199,242	1,559,265
Large C&I	8,195,137	348,550	573,865	5,266
PSHL	143,362	19,208	22,213	22,952
OSPA	66,823	5,288	7,180	25,079
ID	11,228	645	962	133
<b>Total</b>	<b>30,785,036</b>	<b>\$1,966,606</b>	<b>\$2,827,623</b>	<b>14,975,737</b>
<b>Increase</b>				
RES	155,514	\$12,066	\$38,204	46
RSH	6,699	457	1,678	702
Small C&I	244,308	15,633	57,903	579
Large C&I	-87,605	-4,544	15,046	-94
PSHL	1,443	64	480	0
OSPA	-6,733	-489	-486	15
ID	3,158	182	292	16
<b>Total</b>	<b>316,784</b>	<b>\$23,368</b>	<b>\$113,117</b>	<b>1,264</b>
<b>Increase%</b>				
RES	1.9%	1.6%	4.0%	0.0%
RSH	1.7%	1.6%	4.4%	0.2%
Small C&I	1.8%	2.0%	5.1%	0.0%
Large C&I	-1.1%	-1.3%	2.7%	-1.8%
PSHL	1.0%	0.3%	2.2%	0.0%
OSPA	-9.2%	-8.5%	-6.3%	0.1%
ID	39.1%	39.1%	43.6%	13.7%
<b>Total</b>	<b>1.0%</b>	<b>1.2%</b>	<b>4.2%</b>	<b>0.0%</b>

**SALES AND REVENUE BY RATE SCHEDULE**  
**Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2014**

Service Schedule	Average Customers	MWH Sales			Revenues (\$1,000's)		
		Summer	Winter	Annual	Summer	Winter	Annual
<b><u>Residential</u></b>							
Residential	1,110,031	3,271,110	5,444,048	8,715,158	392,399	627,603	1,020,002
Residential TOD	337	1,298	3,213	4,511	162	320	481
Load Management	3,218	5,383	31,574	36,957	466	2,306	2,772
<b>Res Total</b>	<b>1,113,587</b>	<b>3,277,791</b>	<b>5,478,835</b>	<b>8,756,626</b>	<b>393,027</b>	<b>630,228</b>	<b>1,023,255</b>
<b><u>C&amp;I - Non-Demand</u></b>							
Small General	74,907	298,784	565,752	864,536	35,725	61,708	97,433
Small General TOD	10,716	29,655	63,284	92,939	3,257	6,274	9,531
Load Management	188	731	3,472	4,203	72	257	329
<b>C&amp;I N-D Total</b>	<b>85,811</b>	<b>329,170</b>	<b>632,507</b>	<b>961,678</b>	<b>39,054</b>	<b>68,239</b>	<b>107,293</b>
<b><u>C&amp;I - Demand</u></b>							
General	38,931	2,981,487	5,209,707	8,191,194	290,489	447,581	738,070
General TOD	3,485	2,736,115	4,920,225	7,656,340	215,865	347,101	562,965
Light Rail	14	5,715	12,353	18,068	492	965	1,457
Peak-Controlled	1,678	458,801	875,541	1,334,342	41,191	73,128	114,319
Peak-Controlled TOD	440	1,096,122	1,988,392	3,084,514	79,652	135,566	215,218
Energy-Controlled	16	168,426	324,868	493,294	9,787	18,857	28,645
Real Time Pricing	2	7,341	14,109	21,450	446	868	1,314
<b>C&amp;I Dmd Total</b>	<b>44,565</b>	<b>7,454,007</b>	<b>13,345,195</b>	<b>20,799,202</b>	<b>637,922</b>	<b>1,024,066</b>	<b>1,661,988</b>
<b>C&amp;I Total</b>	<b>130,377</b>	<b>7,783,177</b>	<b>13,977,703</b>	<b>21,760,880</b>	<b>676,977</b>	<b>1,092,304</b>	<b>1,769,281</b>
<b><u>Public Authorities</u></b>							
Small Mun Pumping	1,013	2,166	4,177	6,343	283	492	776
Municipal Pumping	1,077	24,883	35,598	60,480	2,774	3,598	6,372
Siren Service	0	0	0	0	11	22	33
<b>PA Total</b>	<b>2,090</b>	<b>27,048</b>	<b>39,775</b>	<b>66,823</b>	<b>3,069</b>	<b>4,112</b>	<b>7,181</b>
<b><u>Lighting</u></b>							
System Service	0	17,592	47,581	65,173	5,493	11,247	16,740
Energy	0	10,047	27,175	37,222	852	1,852	2,703
Metered Energy	1,913	11,058	29,909	40,967	755	2,016	2,771
Protective Lighting	0	7,865	22,652	30,516	1,320	2,786	4,106
<b>Lighting Total</b>	<b>1,913</b>	<b>46,562</b>	<b>127,316</b>	<b>173,879</b>	<b>8,420</b>	<b>17,901</b>	<b>26,321</b>
<b>Total Retail</b>	<b>1,247,966</b>	<b>11,134,579</b>	<b>19,623,629</b>	<b>30,758,208</b>	<b>1,081,493</b>	<b>1,744,546</b>	<b>2,826,039</b>
Other Rev Increase					0	0	0
Interdept. Increase					0	0	0
<b>Total Revenue</b>	<b>1,247,966</b>	<b>11,134,579</b>	<b>19,623,629</b>	<b>30,758,208</b>	<b>1,081,493</b>	<b>1,744,546</b>	<b>2,826,039</b>
Interdept Present	11	4,885	6,342	11,228	419	544	962
<b>Retail + ID</b>	<b>1,247,977</b>	<b>11,139,464</b>	<b>19,629,971</b>	<b>30,769,436</b>	<b>1,081,912</b>	<b>1,745,089</b>	<b>2,827,001</b>

**SALES AND REVENUE BY RATE SCHEDULE**  
**Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2015**

Service Schedule	Average Customers	MWH Sales			Revenues (\$1,000's)		
		Summer	Winter	Annual	Summer	Winter	Annual
<b><u>Residential</u></b>							
Residential	1,110,031	3,271,110	5,444,048	8,715,158	392,350	627,518	1,019,868
Residential TOD	337	1,298	3,213	4,511	162	319	481
Load Management	3,218	5,383	31,574	36,957	466	2,305	2,772
<b>Res Total</b>	<b>1,113,587</b>	<b>3,277,791</b>	<b>5,478,835</b>	<b>8,756,626</b>	<b>392,978</b>	<b>630,143</b>	<b>1,023,121</b>
<b><u>C&amp;I - Non-Demand</u></b>							
Small General	74,907	298,784	565,752	864,536	35,721	61,699	97,419
Small General TOD	10,716	29,655	63,284	92,939	3,256	6,273	9,530
Load Management	188	731	3,472	4,203	72	257	329
<b>C&amp;I N-D Total</b>	<b>85,811</b>	<b>329,170</b>	<b>632,507</b>	<b>961,678</b>	<b>39,049</b>	<b>68,229</b>	<b>107,278</b>
<b><u>C&amp;I - Demand</u></b>							
General	38,931	2,981,518	5,209,756	8,191,274	290,445	447,504	737,949
General TOD	3,485	2,739,384	4,926,725	7,666,109	216,074	347,473	563,547
Light Rail	14	5,715	12,353	18,068	492	965	1,457
Peak-Controlled	1,678	458,805	875,546	1,334,350	41,184	73,114	114,299
Peak-Controlled TOD	441	1,097,714	1,991,590	3,089,304	79,751	135,753	215,504
Energy-Controlled	16	168,718	325,488	494,206	9,802	18,889	28,691
Real Time Pricing	2	7,354	14,137	21,491	447	870	1,317
<b>C&amp;I Dmd Total</b>	<b>44,566</b>	<b>7,459,207</b>	<b>13,355,595</b>	<b>20,814,802</b>	<b>638,196</b>	<b>1,024,567</b>	<b>1,662,763</b>
<b>C&amp;I Total</b>	<b>130,378</b>	<b>7,788,377</b>	<b>13,988,103</b>	<b>21,776,480</b>	<b>677,245</b>	<b>1,092,796</b>	<b>1,770,041</b>
<b><u>Public Authorities</u></b>							
Small Mun Pumping	1,013	2,166	4,177	6,343	283	492	776
Municipal Pumping	1,077	24,883	35,598	60,480	2,774	3,597	6,371
Siren Service	0	0	0	0	11	22	33
<b>PA Total</b>	<b>2,090</b>	<b>27,048</b>	<b>39,775</b>	<b>66,823</b>	<b>3,068</b>	<b>4,112</b>	<b>7,180</b>
<b><u>Lighting</u></b>							
System Service	0	17,592	47,581	65,173	5,493	11,246	16,740
Energy	0	10,047	27,175	37,222	851	1,851	2,703
Metered Energy	1,913	11,058	29,909	40,967	755	2,016	2,771
Protective Lighting	0	7,865	22,652	30,516	1,320	2,786	4,106
<b>Lighting Total</b>	<b>1,913</b>	<b>46,562</b>	<b>127,316</b>	<b>173,879</b>	<b>8,420</b>	<b>17,899</b>	<b>26,319</b>
<b>Total Retail</b>	<b>1,247,967</b>	<b>11,139,779</b>	<b>19,634,029</b>	<b>30,773,808</b>	<b>1,081,711</b>	<b>1,744,950</b>	<b>2,826,661</b>
Other Rev Increase					0	0	0
Interdept. Increase					0	0	0
<b>Total Revenue</b>	<b>1,247,967</b>	<b>11,139,779</b>	<b>19,634,029</b>	<b>30,773,808</b>	<b>1,081,711</b>	<b>1,744,950</b>	<b>2,826,661</b>
Interdept Present	11	4,885	6,342	11,228	419	544	962
<b>Retail + ID</b>	<b>1,247,978</b>	<b>11,144,664</b>	<b>19,640,371</b>	<b>30,785,036</b>	<b>1,082,130</b>	<b>1,745,493</b>	<b>2,827,623</b>

**REVENUE BY RATE CLASS**

**Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2014**

	<b>Revenues (\$1,000's)</b>			
	<b>Total</b>	<b>Base</b>	<b>Fuel</b>	<b>Rider</b>
Residential Regular	984,847	747,683	230,356	6,809
Res Space Heating	39,448	28,249	10,876	323
<b>Total Residential</b>	<b>1,024,295</b>	<b>775,932</b>	<b>241,232</b>	<b>7,132</b>
Small Comm. & Ind.	1,199,454	816,980	371,401	11,073
Large Comm. & Ind.	572,894	347,883	218,354	6,657
<b>Total Comm. &amp; Ind.</b>	<b>1,772,348</b>	<b>1,164,863</b>	<b>589,755</b>	<b>17,730</b>
Street Lighting	22,215	19,208	2,890	117
Public Authorities	7,181	5,288	1,838	54
<b>Total Retail</b>	<b>2,826,039</b>	<b>1,965,291</b>	<b>835,715</b>	<b>25,032</b>
Other Revenues Incr. Interdept Rev Incr.				
<b>Retail + Increases</b>	<b>2,826,039</b>	<b>1,965,291</b>	<b>835,715</b>	<b>25,032</b>
Interdept Present Rev.	962	645	308	9
<b>Retail + Interdept</b>	<b>2,827,001</b>	<b>1,965,937</b>	<b>836,023</b>	<b>25,042</b>

**REVENUE BY RATE CLASS**

**Updated Rebuttal (Jan-Dec Actual Weather-Normalized) - Yr 2015**

	<b>Revenues (\$1,000's)</b>			
	<b>Total</b>	<b>Base</b>	<b>Fuel</b>	<b>Rider</b>
Residential Regular	984,719	747,686	230,241	6,792
Res Space Heating	39,442	28,249	10,871	322
<b>Total Residential</b>	<b>1,024,161</b>	<b>775,935</b>	<b>241,112</b>	<b>7,115</b>
Small Comm. & Ind.	1,199,242	816,980	371,216	11,046
Large Comm. & Ind.	573,865	348,550	218,661	6,654
<b>Total Comm. &amp; Ind.</b>	<b>1,773,107</b>	<b>1,165,530</b>	<b>589,878</b>	<b>17,700</b>
Street Lighting	22,213	19,208	2,889	116
Public Authorities	7,180	5,288	1,837	54
<b>Total Retail</b>	<b>2,826,661</b>	<b>1,965,961</b>	<b>835,715</b>	<b>24,985</b>
Other Revenues Incr. Interdept Rev Incr.				
<b>Retail + Increases</b>	<b>2,826,661</b>	<b>1,965,961</b>	<b>835,715</b>	<b>24,985</b>
Interdept Present Rev.	962	645	308	9
<b>Retail + Interdept</b>	<b>2,827,623</b>	<b>1,966,606</b>	<b>836,023</b>	<b>24,994</b>

## **Appendix B: 2014 Capital True-Up Report**

Exhibit 140: Opening Statement of Company Witness Ms. Anne E. Heuer:

### 9. 2014 Plant Related Revenue Requirement True-Up

The Company has proposed 2014 plant related base rate revenue as part of its filing. The Company recognizes the Commission will ultimately determine the Company's test year plant related base rate revenue. For purposes of the true-up proposal, the Company refers to this value as the Adjusted Test Year 2014 Plant Related Revenue Requirements, but makes clear the Adjusted Test Year 2014 Plant Related Revenue Requirements will not include the 2014 plant additions for the Monticello LCM/EPU project or 2015 Step Projects, as ultimately approved by the Commission.

For purposes of illustrating a potential refund, the Company will submit a compliance filing prior to the implementation of final 2014 rates that calculates the 2014 Adjusted Actual Plant Related Revenue Requirements. The 2014 Adjusted Actual Plant Related Revenue Requirements means the actual plant related base rate revenue requirements, which as I noted the Company will exclude the Monticello LCM/EPU project or the 2015 Step projects approved by the Commission.

Our compliance filing will:

- Compare the Adjusted 2014 Actual Plant Related Revenue Requirements to the Adjusted 2014 Test Year Plant Related Revenue Requirements;
- Compare the 2014 Test Year to the 2014 actual capital project additions; and
- Provide an explanation for all project capital additions that were included in actual rate base, but were not a part of 2014 Test Year, as initially proposed by the Company in its application.

In the event the 2014 Adjusted Actual Plant Related Revenue Requirements are lower than the 2014 Adjusted Test Year Plant Related Revenue Requirements, the Company will include the amount in the interim rate refund and the calculation of final rates in 2015 or otherwise provide a refund plan.

Please see the following Schedules:

- B1. Summary Calculations  
Adjustment Summary of 2014 actual capital related revenue requirements compared to the 2014 Test Year. This schedule identifies each test year



adjustment and references its source in the record. This summary also provides a subtotal for the 2014 actual and test year revenue requirement for all 1) capital true-up, 2) 2014 costs associated with projects included in the 2015 STEP, 3) Monticello LCM/EPU project and 4) secondary calculations.

- B2. Summary Bridge Schedules  
Rate base and income statement bridge schedules from the Commission Decision 2014 Test Year, showing the net capital true-up amounts for 1) capital true-up for projects not included in the 2015 STEP, 2) 2014 costs associated with projects included in the 2015 STEP, 3) Monticello LCM/EPU project and 4) secondary calculations. The final column shows the 2014 Commission Decision were a capital true-up included as an adjustment to the 2014 test year.
- B3. Detailed Differences  
Rate base and income statement schedules showing a comparison of the 2014 actual and test year amounts and the net true-up amounts carried forward to Schedule B2 for 1) capital true-up for projects not included in the 2015 STEP, 2) 2014 costs associated with projects included in the 2015 STEP, 3) Monticello LCM/EPU project
- B4. 2013-2014 Capital Project Additions  
2013 bridge year and 2014 test year capital project additions compared to actual 2013 and 2014 capital project additions for projects not included in the 2015 STEP. The capital additions are subtotaled by business area and presented for the total Company and the Minnesota jurisdiction. Changes in net project additions are not directly related to the changes in revenue requirements, but are one factor that contributes to the changes. Since the historical base used for the beginning of the 2014 test year was the Company's actual net investment as of April 2013, we provide actual project additions for both 2013 and 2014.
- B5. 2014 New Project Explanations  
Explanations are provided for project capital additions that were included in actual rate base, but were not included as a part of 2014 Test Year.

Revenue Requirements by Adjustment	Actual	2014 Test Year	Difference	Test Year References
<b>Capital True-Up</b>				
Base Data	812,901	795,804	17,097	Heuer Direct, Sch 10, col (1)
Nuclear Fuel Update	2,677	112	2,565	Heuer Direct, Sch 10, col (2)
Insurance Reimbursement	included*	(275)	275	Heuer Direct, Sch 10, col (3)
CapX2020 Brookings Update	included*	3,135	(3,135)	Heuer Direct, Sch 10, col (4)
Border Winds	included*	(10)	10	Heuer Direct, Sch 10, col (5)
Pleasant Valley Production	included*	(193)	193	Heuer Direct, Sch 10, col (6)
Pleasant Valley Transm	included*	(21)	21	Heuer Direct, Sch 10, col (7)
Monticello Updates	included*	286	(286)	Heuer Direct, Sch 10, col (8)
Prairie Island Updates	included*	240	(240)	Heuer Direct, Sch 10, col (9)
King Waterwall	included*	487	(487)	Heuer Direct, Sch 10, col (10)
Capx2020 Project Removal	included*	981	(981)	Heuer Direct, Sch 10, col (11)
2012 Depreciation Study	included*	11,676	(11,676)	Heuer Direct, Sch 10, col (12)
Sherco 3 Life Extension	included*	(1,285)	1,285	Heuer Direct, Sch 10, col (13)
Black Dog Remediation Costs	included*	1,962	(1,962)	Heuer Direct, Sch 10, col (17)
Theoretical Reserve 8 Yr Amort	(30,246)	(30,246)	(0)	Heuer Direct, Sch 10, col (14)
TCR Rider Removal	4,459	2,100	2,359	Heuer Direct, Sch 10, col (16)
Sherco 3 Deferral	1,011	1,339	(328)	Heuer Direct, Sch 10, col (18)
PI EPU Deferral	8,485	8,485	(0)	Heuer Direct, Sch 10, col (19)
Nobles Disallowed Assets	(331)	(331)	0	Heuer Direct, Sch 10, col (20)
Theoretical Reserve 50-30-20 Amort	(81,062)	(81,062)	(0)	Heuer Direct, Sch 10, col (21)
Prairie Island Cancelled EPU Project	(4,815)	(4,815)	-	Apr 24 2015 Appendix A4, col [2]
Hollydale Project	included*	(43)	43	Apr 24 2015 Appendix A4, col [5]
PI EPU/LCM Split	(168)	(168)	-	Apr 24 2015 Appendix A4, col [6]
Big-Stone Brookings Correction	included*	(145)	145	Apr 24 2015 Appendix A4, col [7]
Theoretical Reserve Correction - Intangible	included*	28	(28)	Apr 24 2015 Appendix A4, col [8]
<b>Sub-Total Capital True-Up</b>	<b>712,910</b>	<b>708,039</b>	<b>4,871</b>	
<b>Step Items True-Up</b>				
Nuclear Capital Projects	8,140	6,343	1,796	Heuer Direct, Sch 30, col (2)
Energy Supply Capital Projects	3,139	2,998	141	Heuer Direct, Sch 30, col (3)
Transmission Capital Projects	6,040	5,934	106	Heuer Direct, Sch 30, col (4)
Distribution Capital Projects	6,177	6,807	(630)	Heuer Direct, Sch 30, col (5)
IT Capital Projects	468	88	380	Heuer Direct, Sch 30, col (6)
Wisconsin Capital Projects	1,908	2,488	(580)	Heuer Direct, Sch 30, col (7)
<b>Sub-Total Step Items True-Up</b>	<b>25,871</b>	<b>24,658</b>	<b>1,213</b>	
<b>Monticello LCM/EPU</b>				
Monticello LCM/EPU starting revenue requirement	76,152	75,203	949	
Monticello LCM/EPU Commission Decision 50 50	(38,076)	(37,601)	(475)	
<b>Sub-Total Monticello LCM/EPU</b>	<b>38,076</b>	<b>37,601</b>	<b>475</b>	
<b>Secondary Calculations</b>				
Net Operating Loss	30,097	29,859	238	Apr 24 2015 Appendix A4, col [11]
Cash Working Capital	(8,068)	(8,252)	184	Apr 24 2015 Appendix A4, col [12]
<b>Sub-Total Secondary Calculations</b>	<b>22,029</b>	<b>21,607</b>	<b>422</b>	
<b>Sub-Total True-Up</b>	<b>798,886</b>	<b>791,906</b>	<b>6,981</b>	
Last Authorized to Commission Order	347	333	15	
<b>Total</b>	<b>799,234</b>	<b>792,238</b>	<b>6,995</b>	If difference < 0, then refund.

NO REFUND

**Notes:**

included\* = Included in Actual Unadjusted Base Data.

**RATE BASE SCHEDULES**

**RATE BASE ADJUSTMENT SCHEDULES**

**2014 Commission Decision vs 2014 Capital True-Up**

(\$000's)

Description Reference	Commission Decision 2014 Test	Capital True Up (2)	Step Items True Up (3)	Monticello LCM/EPU		Cap Structure (6)	Subtotal True-up (7)	Commission Decision plus 2014 Capital True- Up (8)
	Year (1)			True Up (4)	NOL & CWC Impact (5)			
Electric Plant as Booked								
1 Production	\$7,952,590	(125,729)	13,767	42,438	-	-	(69,525)	\$7,883,065
2 Transmission	\$1,999,645	(4,780)	(18,211)	-	-	-	(22,991)	\$1,976,654
3 Distribution	\$3,019,969	14,656	6,688	-	-	-	21,344	\$3,041,313
4 General	\$499,761	63,987	(1,830)	-	-	-	62,158	\$561,919
5 Common	\$454,709	(47,468)	-	-	-	-	(47,468)	\$407,241
6 TOTAL Utility Plant in Service	\$13,926,674	(99,334)	414	42,438	-	-	(56,482)	\$13,870,192
Reserve for Depreciation								
7 Production	\$4,452,331	(23,475)	229	2,316	-	-	(20,930)	\$4,431,401
8 Transmission	\$566,980	(7,032)	(1,854)	-	-	-	(8,885)	\$558,095
9 Distribution	\$1,184,480	3,096	969	-	-	-	4,064	\$1,188,544
10 General	\$179,709	(6,033)	(44)	-	-	-	(6,078)	\$173,631
11 Common	\$243,128	(42,840)	-	-	-	-	(42,840)	\$200,288
12 TOTAL Reserve for Depreciation	\$6,626,628	(76,284)	(700)	2,316	-	-	(74,669)	\$6,551,960
Net Utility Plant in Service								
13 Production	\$3,500,259	(102,255)	13,537	40,123	-	-	(48,595)	\$3,451,664
14 Transmission	\$1,432,665	2,252	(16,358)	-	-	-	(14,106)	\$1,418,560
15 Distribution	\$1,835,489	11,560	5,719	-	-	-	17,279	\$1,852,768
16 General	\$320,052	70,021	(1,785)	-	-	-	68,235	\$388,287
17 Common	\$211,581	(4,628)	-	-	-	-	(4,628)	\$206,953
18 Net Utility Plant in Service	\$7,300,046	(23,050)	1,114	40,123	-	-	18,186	\$7,318,232
19 Utility Plant Held for Future Use	\$0	-	-	-	-	-	-	\$0
20 Construction Work in Progress	\$529,838	23,191	(1,646)	(41,096)	-	-	(19,551)	\$510,287
21 Less: Accumulated Deferred Income Taxes	\$1,604,789	(26,299)	16,920	(654)	14,979	-	4,946	\$1,609,736
22 Cash Working Capital	(\$74,321)	-	-	-	1,660	-	1,660	(\$72,661)
Other Rate Base Items:								\$0
23 Materials and Supplies	\$116,514	-	-	-	-	-	-	\$116,514
24 Fuel Inventory	\$74,663	-	-	-	-	-	-	\$74,663
25 Non-Plant Assets & Liabilities	(\$12,904)	-	-	-	-	-	-	(\$12,904)
26 Prepayments	\$14,103	-	-	-	-	-	-	\$14,103
27 Deferred Revenues - Nuc Outage	\$0	-	-	-	-	-	-	\$0
28 Nuclear Outage Amortization	\$82,801	-	-	-	-	-	-	\$82,801
29 Customer Advances	(\$3,301)	-	-	-	-	-	-	(\$3,301)
30 Customer Deposits	(\$2,763)	-	-	-	-	-	-	(\$2,763)
31 Sherco 3 Deferral	\$10,250	(1,505)	-	-	-	-	(1,505)	\$8,745
32 Black Dog Reg Asset Amortization	\$2,962	(2,962)	-	-	-	-	(2,962)	\$0
33 PI EPU Amortization	\$55,349	-	-	-	-	-	-	\$55,349
34 Other Working Capital	\$5,202	-	-	-	-	-	-	\$5,202
35 Total Other Rate Base Items	\$342,875	(4,467)	-	-	-	-	(4,467)	\$338,408
36 Total Average Rate Base	\$6,493,649	21,973	(17,452)	(320)	(13,318)	-	(9,118)	\$6,484,531

Description Reference	Commission Decision 2014 Test Year	Capital True Up (2)	Step Items True Up (3)	Monticello			Cap Structure (6)	Interest Sync (7)	Subtotal (8)	Commission Decision plus 2014 Capital True-Up (9)
	(1)			LCM/EPU True Up (4)	NOL & CWC Impact (5)	(9)				
<b>Operating Revenues</b>										
1 Retail	\$2,826,039	-	-	-	-	-	-	-	-	\$2,826,039
2 Interdepartmental	\$962	-	-	-	-	-	-	-	-	962
3 Other Operating	\$621,402	-	-	-	-	-	-	-	-	621,402
4 <b>Total Operating Revenues</b>	<b>\$3,448,403</b>	-	-	-	-	-	-	-	-	<b>\$3,448,403</b>
<b>Expenses</b>										
Operating Expenses:										
5 Fuel & Purchased Energy	\$1,086,327	-	-	-	-	-	-	-	-	\$1,086,327
6 Power Production	\$697,188	-	-	-	-	-	-	-	-	697,188
7 Transmission	\$191,916	-	-	-	-	-	-	-	-	191,916
8 Distribution	\$103,490	-	-	-	-	-	-	-	-	103,490
9 Customer Accounting	\$48,552	-	-	-	-	-	-	-	-	48,552
10 Customer Service & Information	\$92,987	-	-	-	-	-	-	-	-	92,987
11 Sales, Econ Dvlp & Other	\$101	-	-	-	-	-	-	-	-	101
12 Administrative & General	\$190,225	-	-	-	-	-	-	-	-	190,225
13 <b>Total Operating Expenses</b>	<b>\$2,410,786</b>	-	-	-	-	-	-	-	-	<b>\$2,410,786</b>
14 Depreciation	\$273,308	(425)	290	184	-	-	-	48	-	\$273,356
15 Amortization	\$31,300	(1,640)	-	-	-	-	-	(1,640)	-	\$29,660
Taxes:										
16 Property	\$154,355	-	-	-	-	-	-	-	-	\$154,355
17 Deferred Income Tax & ITC	\$161,968	28,196	29,190	675	(88,366)	-	-	(30,305)	-	131,663
18 Federal & State Income Tax	(\$19,955)	(24,922)	(29,669)	(782)	89,605	(2)	-	34,231	-	14,276
19 Payroll & Other	\$29,409	-	-	-	-	-	-	-	-	29,409
20 <b>Total Taxes</b>	<b>\$325,777</b>	<b>3,273</b>	<b>(479)</b>	<b>(107)</b>	<b>1,240</b>	<b>(2)</b>	-	<b>3,926</b>	-	<b>\$329,704</b>
21 <b>Total Expenses</b>	<b>\$3,041,171</b>	<b>1,208</b>	<b>(188)</b>	<b>77</b>	<b>1,240</b>	<b>(2)</b>	-	<b>2,335</b>	-	<b>\$3,043,506</b>
22 Allowance for Funds Used During Cons	\$34,864	(11)	(2,200)	(225)	-	-	-	(2,436)	-	\$32,428
23 <b>Total Operating Income</b>	<b>\$442,096</b>	<b>(1,219)</b>	<b>(2,011)</b>	<b>(302)</b>	<b>(1,240)</b>	<b>2</b>	-	<b>(4,771)</b>	-	<b>\$437,326</b>
<b>Calculation of Revenue Requirements</b>										
24 Rate Base	\$6,493,649	21,973	(17,452)	(320)	(13,318)	-	-	(9,118)	-	\$6,484,531
25 Required Operating Income	\$476,634	1,637	(1,300)	(24)	(992)	10	-	(669)	-	475,965
26 Operating Income	\$442,096	(1,219)	(2,011)	(302)	(1,240)	2	-	(4,771)	-	437,326
27 Income Deficiency	\$34,538	2,856	711	278	248	9	-	4,101	-	38,639
28 <b>Revenue Deficiency</b>	<b>\$58,908</b>	<b>4,871</b>	<b>1,213</b>	<b>475</b>	<b>422</b>	<b>15</b>	-	<b>6,995</b>	-	<b>\$65,903</b>
<b>Calculation of Income Taxes</b>										
29 Operating Revenue	\$3,448,403	-	-	-	-	-	-	-	-	\$3,448,403
30 - Operating Exp	\$2,410,786	-	-	-	-	-	-	-	-	2,410,786
31 - Amortizations	\$31,300	(1,640)	-	-	-	-	-	(1,640)	-	29,660
32 - Taxes oth than Inc	\$183,764	-	-	-	-	-	-	-	-	183,764
33 Operating Income before Adjs	\$822,554	1,640	-	-	-	-	-	1,640	-	\$824,194
34 Additions to Income	\$215,044	(14,213)	(915)	(25)	-	-	-	(15,152)	-	\$199,892
35 Deduct from Income	\$939,370	47,168	71,199	1,872	(216,291)	-	-	(96,053)	-	\$843,317
36 Debt Synchronization	\$145,458	501	(398)	(7)	(304)	4	-	(204)	-	\$145,253
37 State Taxable Income	(\$47,230)	(60,242)	(71,715)	(1,889)	216,595	(4)	-	82,744	-	\$35,515
38 State Income Tax before Credits	(\$4,628)	(5,904)	(7,028)	(185)	21,226	(0)	-	8,109	-	\$3,480
39 State Tax Credits	\$640	-	-	-	-	-	-	-	-	\$640
40 Federal Taxable Income	(\$41,961)	(54,339)	(64,687)	(1,704)	195,369	(3)	-	74,635	-	\$32,674
41 Fed Income Tax before Credits	(\$14,686)	(19,019)	(22,641)	(596)	68,379	(1)	-	26,122	-	\$11,436
42 Federal Tax Credits	\$0	-	-	-	-	-	-	-	-	\$0
43 <b>Income Tax</b>	<b>(\$19,955)</b>	<b>(24,922)</b>	<b>(29,669)</b>	<b>(782)</b>	<b>89,605</b>	<b>(2)</b>	-	<b>34,231</b>	-	<b>\$14,276</b>

**RATE BASE SCHEDULES**

**RATE BASE ADJUSTMENT SCHEDULES**

**2014 Commission Decision vs 2014 Capital True-Up**

(\$000's)

Description Reference	CAPITAL			STEP ITEMS			MONTICELLO LCM/EPU		
	Actual (2)	Test Year (2)	Capital True Up (2)	Actual (3)	Test Year (3)	Step Items True Up (3)	Actual (4)	Test Year (4)	Monticello LCM/EPU True Up (4)
Electric Plant as Booked									
1 Production	6,243,464	6,369,193	(125,729)	104,594	90,828	13,767	267,536	225,098	42,438
2 Transmission	1,598,396	1,603,176	(4,780)	64,614	82,825	(18,211)	-	-	-
3 Distribution	2,975,229	2,960,573	14,656	66,086	59,398	6,688	-	-	-
4 General	560,251	496,264	63,987	1,666	3,496	(1,830)	-	-	-
5 Common	407,242	454,709	(47,468)	-	-	-	-	-	-
6 TOTAL Utility Plant in Service	11,784,581	11,883,915	(99,334)	236,960	236,547	414	267,536	225,098	42,438
Reserve for Depreciation									
7 Production	3,724,950	3,748,425	(23,475)	1,975	1,746	229	19,299	16,984	2,316
8 Transmission	464,099	471,131	(7,032)	(1,903)	(49)	(1,854)	-	-	-
9 Distribution	1,193,186	1,190,090	3,096	(4,252)	(5,221)	969	-	-	-
10 General	174,258	180,291	(6,033)	42	86	(44)	-	-	-
11 Common	199,620	242,460	(42,840)	-	-	-	-	-	-
12 TOTAL Reserve for Depreciation	5,756,112	5,832,396	(76,284)	(4,139)	(3,439)	(700)	19,299	16,984	2,316
Net Utility Plant in Service									
13 Production	2,518,514	2,620,769	(102,255)	102,619	89,082	13,537	248,237	208,114	40,123
14 Transmission	1,134,297	1,132,045	2,252	66,517	82,874	(16,358)	-	-	-
15 Distribution	1,782,043	1,770,483	11,560	70,338	64,619	5,719	-	-	-
16 General	385,994	315,973	70,021	1,625	3,410	(1,785)	-	-	-
17 Common	207,622	212,250	(4,628)	-	-	-	-	-	-
18 Net Utility Plant in Service	6,028,469	6,051,519	(23,050)	241,099	239,985	1,114	248,237	208,114	40,123
19 Utility Plant Held for Future Use	-	-	-	-	-	-	-	-	-
20 Construction Work in Progress	253,014	229,824	23,191	142,046	143,692	(1,646)	630	41,726	(41,096)
21 Less: Accumulated Deferred Income Taxes	1,543,775	1,570,074	(26,299)	52,033	35,113	16,920	51,081	51,734	(654)
22 Cash Working Capital									
Other Rate Base Items:									
23 Materials and Supplies	-	-	-	-	-	-	-	-	-
24 Fuel Inventory	-	-	-	-	-	-	-	-	-
25 Non-Plant Assets & Liabilities	-	-	-	-	-	-	-	-	-
26 Prepayments	-	-	-	-	-	-	-	-	-
27 Deferred Revenues - Nuc Outage	-	-	-	-	-	-	-	-	-
28 Nuclear Outage Amortization	-	-	-	-	-	-	-	-	-
29 Customer Advances	-	-	-	-	-	-	-	-	-
30 Customer Deposits	-	-	-	-	-	-	-	-	-
31 Sherco 3 Deferral	8,745	10,250	(1,505)	-	-	-	-	-	-
32 Black Dog Reg Asset Amortization	-	2,962	(2,962)	-	-	-	-	-	-
33 PI EPU Amortization	55,349	55,349	-	-	-	-	-	-	-
34 Other Working Capital	-	-	-	-	-	-	-	-	-
35 Total Other Rate Base Items	64,094	68,561	(4,467)	-	-	-	-	-	-
36 Total Average Rate Base	4,801,803	4,779,830	21,973	331,111	348,564	(17,452)	197,786	198,105	(320)

Description Reference	CAPITAL			STEP ITEMS			MONTICELLO LCM/EPU		
	Actual (2)	Test Year (2)	Capital True Up (2)	Actual (3)	Test Year (3)	Step Items True Up (3)	Actual (4)	Test Year (4)	Monticello LCM/EPU True Up (4)
<b>Operating Revenues</b>									
1 Retail	-	-	-	-	-	-	-	-	-
2 Interdepartmental	-	-	-	-	-	-	-	-	-
3 Other Operating	2,846	2,846	-	-	-	-	-	-	-
4 <b>Total Operating Revenues</b>	<b>2,846</b>	<b>2,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>									
Operating Expenses:									
5 Fuel & Purchased Energy	-	-	-	-	-	-	-	-	-
6 Power Production	-	-	-	-	-	-	-	-	-
7 Transmission	-	-	-	-	-	-	-	-	-
8 Distribution	-	-	-	-	-	-	-	-	-
9 Customer Accounting	-	-	-	-	-	-	-	-	-
10 Customer Service & Information	-	-	-	-	-	-	-	-	-
11 Sales, Econ Dvlp & Other	-	-	-	-	-	-	-	-	-
12 Administrative & General	-	-	-	-	-	-	-	-	-
13 <b>Total Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14 Depreciation	211,045	211,470	(425)	6,988	6,698	290	15,300	15,116	184
15 Amortization	3,626	5,265	(1,640)	-	-	-	-	-	-
Taxes:									
16 Property	-	-	-	-	-	-	-	-	-
17 Deferred Income Tax & ITC	82,352	54,157	28,196	53,085	23,895	29,190	(455)	(1,130)	675
18 Federal & State Income Tax	(220,444)	(195,521)	(24,922)	(58,407)	(28,738)	(29,669)	(7,255)	(6,474)	(782)
19 Payroll & Other	-	-	-	-	-	-	-	-	-
20 <b>Total Taxes</b>	<b>(138,092)</b>	<b>(141,365)</b>	<b>3,273</b>	<b>(5,322)</b>	<b>(4,843)</b>	<b>(479)</b>	<b>(7,711)</b>	<b>(7,604)</b>	<b>(107)</b>
21 <b>Total Expenses</b>	<b>76,579</b>	<b>75,371</b>	<b>1,208</b>	<b>1,666</b>	<b>1,854</b>	<b>(188)</b>	<b>7,589</b>	<b>7,512</b>	<b>77</b>
22 Allowance for Funds Used During Con	13,488	13,499	(11)	11,166	13,365	(2,200)	-	225	(225)
23 <b>Total Operating Income</b>	<b>(60,245)</b>	<b>(59,026)</b>	<b>(1,219)</b>	<b>9,500</b>	<b>11,511</b>	<b>(2,011)</b>	<b>(7,589)</b>	<b>(7,287)</b>	<b>(302)</b>
<b>Calculation of Revenue Requirements</b>									
24 Rate Base	4,801,803	4,779,830	21,973	331,111	348,564	(17,452)	197,786	198,105	(320)
25 Required Operating Income	357,734	356,097	1,637	24,668	25,968	(1,300)	14,735	14,759	(24)
26 Operating Income	(60,245)	(59,026)	(1,219)	9,500	11,511	(2,011)	(7,589)	(7,287)	(302)
27 Income Deficiency	417,979	415,123	2,856	15,168	14,457	711	22,324	22,046	278
28 <b>Revenue Deficiency</b>	<b>712,910</b>	<b>708,039</b>	<b>4,871</b>	<b>25,871</b>	<b>24,658</b>	<b>1,213</b>	<b>38,076</b>	<b>37,601</b>	<b>475</b>
<b>Calculation of Income Taxes</b>									
29 Operating Revenue	2,846	2,846	-	-	-	-	-	-	-
30 - Operating Exp	-	-	-	-	-	-	-	-	-
31 - Amortizations	3,626	5,265	(1,640)	-	-	-	-	-	-
32 - Taxes oth than Inc	-	-	-	-	-	-	-	-	-
33 Operating Income before Adjs	(779)	(2,419)	1,640	-	-	-	-	-	-
34 Additions to Income	93,809	108,021	(14,213)	5,848	6,763	(915)	-	25	(25)
35 Deduct from Income	516,407	469,238	47,168	139,481	68,282	71,199	13,028	11,157	1,872
36 Debt Synchronization	109,481	108,980	501	7,549	7,947	(398)	4,510	4,517	(7)
37 State Taxable Income	(532,859)	(472,616)	(60,242)	(141,182)	(69,467)	(71,715)	(17,538)	(15,648)	(1,889)
38 State Income Tax before Credits	(52,220)	(46,316)	(5,904)	(13,836)	(6,808)	(7,028)	(1,719)	(1,534)	(185)
39 State Tax Credits	-	-	-	-	-	-	-	-	-
40 Federal Taxable Income	(480,639)	(426,300)	(54,339)	(127,346)	(62,659)	(64,687)	(15,819)	(14,115)	(1,704)
41 Fed Income Tax before Credits	(168,223)	(149,205)	(19,019)	(44,571)	(21,931)	(22,641)	(5,537)	(4,940)	(596)
42 Federal Tax Credits	-	-	-	-	-	-	-	-	-
43 <b>Income Tax</b>	<b>(220,444)</b>	<b>(195,521)</b>	<b>(24,922)</b>	<b>(58,407)</b>	<b>(28,738)</b>	<b>(29,669)</b>	<b>(7,255)</b>	<b>(6,474)</b>	<b>(782)</b>

Northern States Power Company  
 Electric Utility - Total Company and State of Minnesota  
**Comparison of the Bridge Year and Test Year to the 2014 Actual Capital Project Additions  
 Capital True-Up Non-Step Projects**  
 (\$0s)

Docket No. E002/GR-13-868  
 Preliminary Compliance Filing  
 Financial Schedules - April 24, 2015  
 Schedule B4, Page 1 of 3

Plant Additions - Rate Case	Total Company		Minnesota Jurisdiction	
	Bridge Year	Test Year	Bridge Year	Test Year
	2013 Plant Additions	2014 Plant Additions	2013 Plant Additions	2014 Plant Additions
Energy Supply	122,662,450	41,503,774	91,465,630	31,053,023
Distribution Operations	110,915,987	98,587,573	109,143,305	97,196,445
Transmission	98,019,032	52,868,796	75,012,721	40,299,104
Corporate Services	90,157,245	92,637,343	70,782,082	73,701,551
Operations Services	0	0	0	0
Nuclear	569,188,110	154,747,110	424,835,672	116,261,354
Public Policy/External Affairs	67,635	67,664	54,864	54,888
<b>Total 2014 Per Rate Case</b>	<b>991,010,458</b>	<b>440,412,260</b>	<b>771,294,275</b>	<b>358,566,366</b>
<b>Plant Additions - Actuals</b>	<b>2013 Actuals</b>	<b>2014 Actuals</b>	<b>2013 Actuals</b>	<b>2014 Actuals</b>
Energy Supply	119,099,879	51,353,436	88,819,122	38,379,944
Distribution Operations	125,476,373	117,642,607	123,892,703	116,110,694
Transmission	107,262,500	56,918,015	82,528,169	43,453,231
Corporate Services	71,293,051	94,483,791	56,791,504	73,767,844
Operations Services	0	3,303	0	2,680
Nuclear	535,344,721	116,490,875	399,344,878	88,623,969
Public Policy/External Affairs	39,951	25,323	33,010	20,542
<b>Total 2014 - Actuals</b>	<b>958,516,476</b>	<b>436,917,350</b>	<b>751,409,387</b>	<b>360,358,904</b>
<b>Difference</b>				
Energy Supply	(3,562,571)	9,849,662	(2,646,508)	7,326,921
Distribution Operations	14,560,386	19,055,034	14,749,398	18,914,249
Transmission	9,243,468	4,049,219	7,515,448	3,154,127
Corporate Services	(18,864,194)	1,846,447	(13,990,578)	66,293
Operations Services	0	3,303	0	2,680
Nuclear	(33,843,389)	(38,256,235)	(25,490,793)	(27,637,385)
Public Policy/External Affairs	(27,683)	(42,341)	(21,854)	(34,346)
<b>Difference</b>	<b>(32,493,983)</b>	<b>(3,494,910)</b>	<b>(19,884,887)</b>	<b>1,792,539</b>

**Comparison of the Bridge Year and Test Year to the 2014 Actual Capital Project Additions**

**Step Projects**  
 (\$0s)

Plant Additions - Rate Case	Total Company		Minnesota Jurisdiction	
	Bridge Year	Test Year	Bridge Year	Test Year
	2013 Plant Additions	2014 Plant Additions	2013 Plant Additions	2014 Plant Additions
Energy Supply	8,097,768	33,436,821	6,019,870	24,856,889
Distribution Operations	33,655,600	51,484,814	33,655,600	51,484,814
Transmission	36,008,808	160,217,413	26,768,900	119,103,634
Corporate Services	0	0	0	0
Nuclear	35,812,560	123,100,830	26,623,010	91,512,995
<b>Total 2014 Per Rate Case</b>	<b>113,574,736</b>	<b>368,239,878</b>	<b>93,067,380</b>	<b>286,958,332</b>
<b>Plant Additions - Actuals</b>	<b>2013 Actuals</b>	<b>2014 Actuals</b>	<b>2013 Actuals</b>	<b>2014 Actuals</b>
Energy Supply	8,727,879	45,133,699	6,488,294	33,552,332
Distribution Operations	38,009,823	56,151,958	38,009,823	56,151,958
Transmission	31,696,358	110,440,713	23,563,031	82,101,480
Corporate Services	0	4,531,641	0	3,332,374
Nuclear	45,501,289	127,803,051	33,825,598	95,008,620
<b>Total 2014 - Actuals</b>	<b>123,935,349</b>	<b>344,061,061</b>	<b>101,886,746</b>	<b>270,146,765</b>
<b>Difference</b>				
Energy Supply	630,111	11,696,877	468,424	8,695,443
Distribution Operations	4,354,223	4,667,143	4,354,223	4,667,143
Transmission	(4,312,450)	(49,776,700)	(3,205,870)	(37,002,154)
Corporate Services	0	4,531,641	0	3,332,374
Nuclear	9,688,729	4,702,222	7,202,588	3,495,625
<b>Difference</b>	<b>10,360,613</b>	<b>(24,178,817)</b>	<b>8,819,365</b>	<b>(16,811,567)</b>



**Comparison of the Bridge Year and Test Year to the 2014 Actual Capital Project Additions**

**Monticello LCM/EPU**

(\$0s)

Plant Additions - Rate Case	Total Company			Minnesota Jurisdiction		
	Previous Treatment 11 & 12 Plant Adds	Bridge Year 2013 Plant Additions	Test Year 2014 Plant Additions	Previous Treatment 11 & 12 Plant Adds	Bridge Year 2013 Plant Additions	Test Year 2014 Plant Additions
Nuclear	229,714,561	185,993,905	225,144,000	170,769,502	138,267,624	167,371,753
Total 2014 Per Rate Case	<u>229,714,561</u>	<u>185,993,905</u>	<u>225,144,000</u>	<u>170,769,502</u>	<u>138,267,624</u>	<u>167,371,753</u>
<b>Plant Additions - Actuals</b>						
	11 & 12 Actuals	2013 Actuals	2014 Actuals	11 & 12 Actuals	2013 Actuals	2014 Actuals
Nuclear	258,228,654	384,182,025	86,403	191,966,842	285,600,412	64,232
Total 2014 - Actuals	<u>258,228,654</u>	<u>384,182,025</u>	<u>86,403</u>	<u>191,966,842</u>	<u>285,600,412</u>	<u>64,232</u>
<b>Difference</b>						
Nuclear	28,514,094	198,188,120	(225,057,597)	21,197,340	147,332,788	(167,307,521)
Difference	<u>28,514,094</u>	<u>198,188,120</u>	<u>(225,057,597)</u>	<u>21,197,340</u>	<u>147,332,788</u>	<u>(167,307,521)</u>

Business Area	Grandparent	2014		
		Actual	Test Year	Difference
Energy Supply	General Building	16,357	-	16,357
Energy Supply	MNV_Minn Valley	6,998	-	6,998
Energy Supply	CRL_Coal Rail Car NSP-MN	3,728,813	-	3,728,813
Corporate Services	MI_Nuclear Radio replacement	5,700,128	-	5,700,128
Transmission	Chisago-Apple River High Voltage	1,199,729	-	1,199,729
Transmission	Pipestone DCP TR, Sub	464,704	-	464,704
Transmission	Douglas County DCP TR, Sub	592,668	-	592,668
Transmission	Wobegon Trail New DCP Sub	736,381	-	736,381
Transmission	West Hastings-Repl Failed TR5	524,377	-	524,377
Transmission	Red Wing - DCP TR Repl	81,516	-	81,516
Transmission	NSPM Galloping Conductors	431,314	-	431,314

- A** The Sump Pump was replaced at the Chestnut Hazardous Waste Storage Facility (HWSF). It was an emergent project as the existing sump pump failed and all HWSF water drains to the sump and was then pumped into an existing on site above ground storage tank.
- B** Additional fence installed to prevent people from trespassing and doing damage to the grass and the trees planted as restoration efforts.
- C** Business Strategy decision to purchase rail cars for 2015 need rather than establish a new lease for an expiring lease in 2014.
- D** The project is an effort encompassing replacement of the Land Mobile Radio infrastructure supporting both Sherco and Monticello generating plants with a primary objective to deploy secure, interoperable communications equipment across both plants satisfying reliability and functional needs which were identified during a comprehensive 6 month requirements and design phase of the project.
- E** New project due to the use of underground conductor, high voltages had been observed in the St. Croix, WI/ Taylors Falls, MN. To mitigate the effects a reactor was installed to reduce voltages on the Lawrence Creek 115/161 kV transformer tertiary.
- F** Movement of a fence at this substation was to be compliant with code compliant and replacement of a station battery to the appropriate size.
- G** To address load growth at the Osakis substation, the determination was made to retire the Osakis substation and transfer its Distribution load to a newly expanded Distribution yard and equipment at the Douglas County substation.
- H** To address load growth projections at the Freeport substation, a new Distribution substation was constructed on the outskirts of Freeport (which required a Transmission Line Tap and box structure) named Wobegon Trail, retire the Freeport substation, and transfer the Distribution load to Wobegon Trail.
- I** The 115kV/69kV transformer unexpectedly failed in Q4 2013 at West Hastings Substation. The transformer could not be repaired and had to be replaced to ensure that area load could be reliably served during high loading times of the year.
- J** Yard related improvements in support of a distribution transformer that needed replacement.
- K** Emergent work after observing a galloping event in 2013 which lead to an extensive inspection and investigation into numerous outages on Line 0953. This project was created to install and operate monitoring systems to evaluate the performance of various installed anti-galloping devices and provide additional direction on how to best mitigate galloping on this line and other lines across the Transmission system.

## CERTIFICATE OF SERVICE

I, Tiffany Hughes, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States Mail at Minneapolis, Minnesota

xx electronic filing

**Docket No. E002/GR-13-868**

Dated this 24th day of April 2015

/s/

---

Tiffany Hughes

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