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February 7, 2013

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

**Re: In the Matter of the Petition of Otter Tail Power Company for Approval of a
Transmission Cost Recovery Rider Annual Adjustment
Docket No. E017/M-13-___**

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") hereby submits its Petition to the Minnesota Public Utilities Commission ("Commission") for approval of its Transmission Cost Recovery Rider Annual Rate Adjustment.

Otter Tail has electronically filed this document with the Commission which, in compliance with Minn. Rule 7829.1300, subp. 2, also constitutes service on the Department of Commerce, Division of Energy Resources and the Office of Attorney General-Residential Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's miscellaneous electric service list. A Certificate of Service is also enclosed.

If you have any questions regarding this filing, please contact me at 218-739-8279 or at stommerdahl@otpc.com.

Sincerely,

/s/ Stuart Tommerdahl
Stuart Tommerdahl, Manager
Regulatory Administration

dm
Enclosures
By electronic filing
c: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of the Petition of
Otter Tail Power Company for
Approval of a Transmission
Cost Recovery Rider Annual
Adjustment**

Docket No. E017/M-13-___

PETITION

Summary of Filing

Pursuant to Minn. Stat. §§216B.16, subd. 7b and 216.1645, Otter Tail Power Company (“OTP”) submits this Petition to the Minnesota Public Utilities Commission (“Commission”) for approval of OTP’s Transmission Cost Recovery Rider Annual Update including the proposed 2013 Transmission Cost Recovery Factors.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of the Petition of
Otter Tail Power Company for
Approval of a Transmission
Cost Recovery Rider Annual
Adjustment**

Docket No. E-017/M-13-___

PETITION

I. INTRODUCTION

Otter Tail Power Company (“OTP” or “Company”) hereby petitions the Minnesota Public Utilities Commission (“Commission”) for an Order approving the 2013 annual adjustment to OTP’s Transmission Cost Recovery Rider (“TCRR”). The Petition is filed pursuant to OTP’s approved TCRR rate schedule, which was originally approved by the Commission on January 28, 2010, in Docket E-017/M-09-881. The approved TCRR contemplates annual updates to the Rider, which is consistent with the Minnesota Statutes authorizing the Rider. Specifically, Minn. Stat. §216B.16, subd. 7b authorizes tariff mechanisms and annual adjustments for the timely cost recovery of new transmission facilities through an automatic annual adjustment. Additionally, Minn. Stat. §216B.1645 allows for recovery through an automatic adjustment mechanism of all investments or expenditures entered into by a public utility in connection with satisfying the wind and biomass mandates of the Minnesota Legislature. The Commission’s first Order approving an update to OTP’s TCRR was issued on March 26, 2012 in Docket No. E017/M-10-1061. The update requested in this Petition is the second update requested for the TCRR.

II. SUMMARY OF FILING

Pursuant to Minn. Rule 7829.1300, subp. 1, a one-paragraph summary of the filing accompanies this Petition.

III. GENERAL FILING INFORMATION

Pursuant to Minn. Rule 7829.1300, subp. 3, the following information is provided.

**A. Name, address and telephone number of utility
(Minn. Rules 7829.1300, subp. 3(A))**

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

**B. Name, address, and telephone number of utility attorney
(Minn. Rules 7829.1300, subp. 3(B))**

Bruce Gerhardson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8475
bgerhardson@otpc.com

**C. Date of filing and proposed effective date of rates
(Minn. Rules 7829.1300, subp. 3(C))**

The date of this filing is February 7, 2013. OTP proposes the TCRR rates become effective May 1, 2013, or on the first day of the month following Commission approval, should its decision be thereafter.

**D. Statutes controlling schedule for processing the filing
(Minn. Rules 7829.1300, subp. 3(D))**

Minn. Stat. §216B.16 permits a utility to implement a proposed rate change after giving the Commission a 60 day notice. This proposed annual adjustment to OTP's TCRR filing falls under definition of a "miscellaneous tariff filing" under Minn. Rules 7829.0100, subp. 11, with Minn. Rules 7829.1400 allowing initial comments within 30 days of filing and replies no more than 10 days thereafter.

**E. Title of utility employee responsible for filing
(Minn. Rules 7829.1300, subp. 3(E))**

Stuart Tommerdahl
Manager, Regulatory Administration
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8279
stommerdahl@otpc.com

**F. Impact on rates
(Minn. Rules 7829.1300, subp. 4(F))**

The TCRR has no effect on OTP's base rates. The additional information required under this Rule is included throughout the Petition.

G. Service list

Pursuant to Minn. Rule 7829.0700, OTP requests that the following persons be placed on the Commission's official service list for this matter and that any trade secret comments, requests, or information be provided to the following on behalf of OTP:

Stuart Tommerdahl
Manager, Regulatory Administration
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Bruce Gerhardson
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H. Service on other parties

Pursuant to Minn. Rule 7829.1300, subp. 2, OTP has served a copy of this Petition on the Office of Energy Security of the Department of Commerce and the Residential Utilities Division of the Office of the Attorney General. A summary of the filing prepared in accordance with Minn. Rule 7829.1300, subp. 1 was served on all parties on OTP's general service list.

IV. TRANSMISSION COST RECOVERY RIDER

A. Background

Minn. Stat. §216B.16, subd. 7b(a), allows the Commission to approve a tariff mechanism, which provides for the automatic annual adjustment charges that recover the Minnesota jurisdictional costs of new transmission facilities. Minn. Stat. §216B.1645 states that the Commission may approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with facilities constructed to satisfy the renewable energy objectives and standards set forth in Minn. Stat. §216B.1691, including those made to transmit the electricity generated from renewable generating facilities to Minnesota retail customers.

The Commission's Order originally approving OTP's TCRR was issued January 28, 2010 in Docket No. E017/M-09-881 and the first update to the TCRR was approved in an Order issued on March 26, 2012 in Docket No. E017/M-10-1061.

On May 24, 2012, Otter Tail filed a Petition (Docket No. E017/M-12-514) requesting a determination that certain transmission investments are eligible for recovery through the TCRR. Ultimately, an agreement was reached between OTP, the Department of Commerce ("DOC") and the Office of Attorney General ("OAG"), that three new projects should be approved for TCRR eligibility. The agreement reached is articulated in Otter Tail's January 8, 2013 Reply Comments in that Docket. Commission approval of that agreement is still pending at the time of this Petition, but OTP, the DOC and the OAG determined that it would be appropriate to file this Petition in order that the update to the TCRR would not be further delayed.

In this Petition, OTP is providing the information in accordance with Minn. Stat. §216B.16, subd. 7b(b) and Minn. State. §216B.1645, subd. 2, that supports the annual rate adjustment to the Transmission Rider for the projects previously approved for recovery in OTP’s TCRR and for the three new projects for which eligibility has been requested in Docket No. E17/M-12-514. The Information is provided in the same format used for the original TCRR Petition and for the last update to the TCRR.

B. Revenue requirement and rate impact

The proposed TCRR revenue requirement of \$2,268,907 is for the recovery period of May 1, 2013 to April 30, 2014, and includes a true-up of (\$378,716) for actual collections received during 2012 and January 2013, and projected collections from February to April 2013. This revenue requirement is a reduction from the \$2,506,562 revenue requirement approved in last year’s filing which was based on a 14 month recovery period from November 2011 to December 2012.

OTP proposes that the TCRR continue to be applicable to electric service under all of OTP’s retail rate schedules. The charge will be included as part of the Resource Adjustment on customers’ bills. The proposed rates are as follows:

<u>Class</u>	<u>¢ / kWh</u>	<u>\$ / kW</u>
Large General Service	N/A	\$0.462
Controlled Service	0.022¢	N/A
Lighting	0.091¢	N/A
All other service	0.138¢	N/A

The following table shows the estimated monthly rate impact by retail customer class. Because the recovery period and corresponding billing determinants decreased from 14 months (November 2011 to December 2012) in the last filing, to 12 months (May 2013 to April 2014) in this filing, rates increase slightly.

Rate Impact					
	Average kW/kWh	Current Rate	Proposed Rate	Change in Rate	Bill Impact of Change
Large General Service (kW)	356	\$0.391	\$0.462	0.071¢	\$25.31
Controlled Service (kWh)	916	0.019¢	0.022¢	0.003¢	\$0.03
Lighting (kWh)	641	0.085¢	0.091¢	0.006¢	\$0.04
All Other Service (kWh)	1,211	0.126¢	0.138¢	0.012¢	\$0.14

The above rates are based on the assumption that they will be in effect from May 1, 2013 to April 30, 2014. If the effective date is significantly later than May 1, 2013, OTP requests that it be allowed to recalculate the TCRR rates in order to recover all approved costs in the remainder of the recovery period.

C. Cost recovery methodology

Attachments 1-4 of this Petition are, respectively, the Revenue, Revenue Requirements Summary, Rate Design, and Tracker Summary calculations used for OTP's proposed TCRR rate update.

Attachments 5-10 provide the revenue requirement calculations for each of the transmission projects identified in this filing--both those previously included in OTP's TCRR (Attachments 5-7) and the three new projects for which OTP has requested eligibility for TCRR recovery (Attachments 8-10).

These calculations have been made in compliance with the Commission's March 26, 2012 Order approving OTP's last TCRR update in Docket No. E017/M-10-1061 and are consistent with how OTP calculated its current TCRR rate.

Specifically, the calculations include the following:

- *Rate base section.* This section provides details on the amount of plant in service, accumulated depreciation, construction work in progress (CWIP) (if applicable), accumulated deferred taxes, and a 13-month average rate base calculation.
- *Expense section.* The expenses applicable to a project are listed here and include operating costs, property taxes, depreciation, and income taxes.
- *Revenue requirements section.* This section shows the components of the revenue requirements, including expenses and return on investment and any credits to the revenue requirement for monies received for use of the lines by wholesale customers.
- *Return on investment (cost of capital).* The cost of capital is as determined in OTP's most recent general rate case (Docket No. E017/GR-10-239).
- *Depreciation expense.* Depreciation expense is calculated using the Company's latest transmission composite depreciation rate.
- *Property taxes.* The property tax calculation is based on OTP's composite tax rate for the jurisdiction in which the transmission facilities are located, and is calculated in accordance with the procedures specified by that state.
- *O&M expense.* Annual operation and maintenance (O&M) expense of the transmission lines typically includes costs related to line patrol and inspections, vegetation management, small repair items, storm restoration, and supervision of this work. Scheduled transmission line patrols are typically done once every other year on single pole 115 kV lines. Unscheduled patrols are completed for line sections where an unexplained interruption has occurred. To reduce costs of patrol after an interruption, data from protective relays is used to limit the patrol area. Vegetation management of new lines is typically limited for the first five years, since OTP's construction standard is to remove as many trees as possible and leave low growing brush. After five years,

vegetation management is completed based on information gathered during line patrols. Other O&M costs are dependent on the severity of storms and resulting damage, tree growth, items found on line patrols, the cost of NERC reporting requirements, and supervision. OTP has set up transmission O&M accounting projects to track O&M costs specifically related to each line included in the TCRR.

- *Schedule 26 and 26A expenses.* Schedule 26 and Schedule 26A costs for the recovery period appear on lines 10 and 11 of the Tracker Account (Attachment 4), and are shown separately in Attachment 18. These expenses reflect OTP's costs for OTP's TCRR eligible projects and other utilities' projects that qualify for regional cost allocation through MISO's Tariff.
- *Schedule 26 and 26A revenues.* Schedule 26 and 26A revenues for the recovery period appear on lines 15 and 17 of the Tracker Account Summary (Attachment 4) and are shown separately on Attachments 13 (Schedule 26) and Attachment 14 (Schedule 26A). These revenues reflect OTP's share of the revenues derived for OTP's investments in TCRR eligible projects that qualify for regional cost allocation through MISO's tariff.
- *Revenue credit for MISO tariff Schedules 37 and 38* (Attachment 13). Included in this TCRR rate update calculation are two revenue credits that reflect revenues received from MISO pursuant to Schedules 37 and 38 of the MISO tariff. The Schedule 37 revenues represent OTP's allocation from MISO of contributions MISO required from American Transmission Systems Inc. ("ATSI") for transmission investments of MISO transmission owners. ATSI withdrew from MISO on June 1, 2011, to integrate with PJM. The Schedule 38 revenues represent OTP's allocation of payments from Duke-Ohio ("DEO") and Duke-Kentucky ("DEK") that departed MISO on December 31, 2011, yet have an ongoing obligation to pay for MISO projects due to their prior MISO membership. The Schedule 37 and Schedule 38 revenue credits forecast in the TCRR are part of the Schedule 26 revenue credits forecasted. Detailed descriptions of these MISO schedules can be found at:

<https://www.midwestiso.org/Library/Tariff/Pages/Tariff.aspx>

D. Projects previously approved for recovery in OTP's TCRR

The Fargo-Monticello project, the Bemidji-Grand Rapids CAPX2020 project, and the Cass Lake-Bemidji project were approved for inclusion in OTP's TCRR in the last TCRR Update (Docket No. E017/M-10-1061). The Cass Lake-Bemidji project is part of the Bemidji-Grand Rapids CAPX2020 project and was included in the Bemidji-Grand Rapids revenue requirements calculation in last year's TCRR filing. In order to more closely resemble MISO Attachment GG project breakdown, OTP has separated the Cass Lake-Bemidji project from the Bemidji-Grand Rapids project for this Petition. The retail allocation of costs and revenues for these projects have been updated and extended through 2013 and are reflected in Attachments 5 through 7.

E. Projects not previously included in OTP's TCRR

The following three projects have been included based upon the agreement reached between OTP, the DOC and the OAG in Docket No. E017-M-12-514. The projects were described in detail in that prior Docket. Summary descriptions are provided below for convenience.

Project 1 – Brookings, SD-Hampton, MN 345 kV Line

The Brookings, SD to Hampton, MN 345 kV line project was included as part of the 2011 MISO Transmission Expansion Plan (“MTEP11”) where the MISO Board of Directors endorsed a portfolio of transmission projects across the MISO footprint called the Multi-Value Projects (“MVPs”). The MVPs have been identified and recommended to meet public policy requirements within the MISO states through 2026.

This project has also received a Certificate of Need under Commission Docket Number ET-2, E-002 *et al/* CN-06-1115 and a Route Permit under Commission Docket Number ET2/TL-08-1474. OTP is planning to be a 4.1% owner of this project with a current estimated total investment of \$25,560,322 over the construction period which runs through 2015.

OTP's Minnesota jurisdictional share of the investment is 47.89% based on OTP's D2 allocation factor.

Project 2 – Ramsey 230/115 kV Transformer Upgrade

In 2008 when the Langdon Wind farm was constructed, to allow for an expedited interconnection of that wind farm, a Special Protection Scheme (“SPS”) at Great River Energy's (“GRE”) Ramsey substation was installed to protect the Ramsey 230/115 kV transformer near Devils Lake, North Dakota from overloading. GRE's guidelines for special protection schemes on its system allows for a five-year timeframe in which such a protection scheme may operate. GRE is planning to retire the SPS. Since the Eligibility Filing, a decision has been between GRE and the Langdon Wind farm owners to replace the 230/115 kV transformer with a 140 MVA transformer in 2013. OTP and the other interconnection customers are required to share in the cost of this upgrade.

OTP's allocation of the expected costs for this upgrade, based on the ownership percentage in the Langdon wind farm is currently estimated to be \$571,917 in total, with a construction period running through 2013.

OTP's Minnesota jurisdictional share of the investment is 47.89% based on OTP's D2 allocation factor.

Project 3 – Sheyenne-Audubon 230 kV Line Upgrade

Interconnection studies performed by Minnkota Power Cooperative (“MPC”) for the Luverne and Ashtabula wind farms identified the need to upgrade the Sheyenne – Audubon 230 kV line. This transmission line is co-owned by Xcel Energy and OTP, with OTP owning approximately 96% of the line. Detailed engineering studies performed by OTP have identified that numerous structures along the existing 230 kV line will need to be modified in order to increase the line-to-ground clearance and thus, the capacity, of this line. In order to allow interconnection of the wind farms in an expedited manner, and to determine the status of other pending projects under

development at the time of the interconnection studies, a temporary wind-adjusted rating methodology was implemented in mid-2009 to prevent this transmission line from overloading during real-time operating conditions. OTP's guidelines for wind-adjusted ratings allows for a five-year timeframe. The sunset date of the five-year timeframe for the wind-adjusted ratings of the Sheyenne – Audubon 230 kV line will expire in mid-2014. Due to the length of this line and the anticipated schedule to complete the necessary upgrades, investments for this 230 kV line upgrade are expected to begin in 2012 in order to meet a mid-2014 in-service date. This project is a result of the generation interconnection to the MPC transmission system and will be funded by OTP and the other interconnection customers.

OTP's allocation of the expected costs for this upgrade based on the ownership percentage in the wind farms interconnecting to the MPC system is currently estimated to be \$1,286,117.

OTP's Minnesota jurisdictional share of the investment is 47.89% based on OTP's D2 allocation factor.

F. Allocations and rate design

The allocations and rate design for this annual rider update are the same as approved by the Commission in the March 26, 2012, TCRR Update Order. Specifically, the class allocations use the transmission demand allocation factor, D2, from OTP's most recent Minnesota general rate case (Docket No. E017/GR-10-239) to allocate total revenue requirements to jurisdictions (Minnesota, 47.89%) and rate classes. The rate design uses a demand-only billing rate for the Large General Service Class ("LGS") and an energy-only billing rate ($\text{\$/kWh}$) for all other customers. The rate design detail is included in Attachment 3.

In the Commission's last Order issued March 26, 2012, the Commission requested an analysis of the impact of a "percentage of revenue" rate design among and within its customer classes. The analysis of a percent of revenue rate design and a comparison to the current rate design for an average month is included on Attachment 3.

G. Transmission Cost Recovery Rider rate schedule

A redline and clean copy of OTP's proposed TCRR Rate Schedule is included in Attachment 15 to this Petition.

H. Revisions to other rate schedules

There are no changes to any other rate schedules.

I. Notice to customers

Attachment 16 is a proposed notice to customers that would be included with customer bills in the month that the new TCRR rates are implemented.

V. CONCLUSION

Otter Tail respectfully requests that the Commission approve the TCRR annual rate adjustment mechanism including the 2013 Transmission Factor as set forth in this Petition.

Dated: February 7, 2013

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ STUART TOMMERDAHL
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Manager, Regulatory Administration
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OTTER TAIL POWER COMPANY

By: /s/ BRUCE GERHARDSON
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OTTER TAIL POWER COMPANY
TRANSMISSION COST RECOVERY RIDER FILING ATTACHMENTS

Attachment 1	Projection of Revenue
Attachment 2	Summary of Revenue Requirements
Attachment 3	Class Allocation and Rate Design
Attachment 4	Transmission Tracker Account
Attachment 5	Fargo-Monticello Line Revenue Requirements Calculation
Attachment 6	Bemidji-Grand Rapids Line Revenue Requirements Calculation
Attachment 7	Cass Lake-Bemidji Line Revenue Requirements Calculation
Attachment 8	Brookings, SD-Hampton, MN Line Revenue Requirements Calculation
Attachment 9	Ramsey 230/115 kW Transformer Upgrade Revenue Requirements Calculation
Attachment 10	Sheyenne – Audubon 230 kV Line Upgrade Revenue Requirements Calculation
Attachment 11	Wholesale Credit Calculation
Attachment 12	MISO Schedule 26 and Schedule 26A Expenses
Attachment 13	MISO Schedule 26, 37, and 38 Revenues
Attachment 14	MISO Schedule 26A Revenues
Attachment 15	Transmission Rider (redline and clean)
Attachment 16	Notice to Customers

Projected Revenue for 2013

Line No.	Class		Units	Rate per Unit	Amount
1	Large General Service	(a)	2,245,045 kW	\$0.462	\$1,037,834
2					
3	Controlled Service	(b)	183,174,773 kWh	0.022¢	\$40,378
4					
5	Lighting	(c)	20,151,236 kWh	0.091¢	\$18,270
6					
7	All other service		851,382,557 kWh	0.138¢	\$1,172,424
8					
9	Total revenue				<u>\$2,268,907</u>

(a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day

(b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load

(c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

Summary of Revenue Requirements

Line No.	Revenue Requirements	2013
1	CAPX 2020 Fargo	\$3,225,858
2	CAPX 2020 Bemidji	\$1,040,139
3	CAPX 2020 Cass Lake - Bemidji	\$463,263
4	CAPX 2020 Brookings	\$1,045,507
5	Ramsey 230/115 kW Transformer Upgrade	\$28,251
6	Sheyenne – Audubon 230 kV Line Upgrade	\$41,800
7		
8	Schedule 26 Expense	4,011,689
9	Schedule 26A Expense	434,371
10		
11	Schedule 26 Revenue	(6,497,711)
12	Schedule 37 & 38 Revenue	0
13	Schedule 26A Revenue	(1,118,623)
14		
15	Carrying Cost	(26,920)
16	True-Up	(378,716)
17		
18	Total	<u>\$2,268,907</u>

Class Allocation and Current Rate Design

Line No.	2013		
1	Total Minnesota Revenue Requirements		\$2,268,907 *
2	Large General Service	45.74%	\$1,037,834
3	Controlled Service	1.78%	40,378
4	Lighting	0.81%	18,270
5	All Other Service	51.67%	1,172,424
6	Total		\$2,268,907
7	Large General Service	kW	2,245,045
8	Controlled Service	kWh	183,174,773
9	Lighting	kWh	20,151,236
10	All Other Service	kWh	851,382,557
11	Large General Service	\$ / kW	0.462
12	Controlled Service	cents / kWh	0.022
13	Lighting	cents / kWh	0.091
14	All Other Service	cents / kWh	0.138

* Jurisdictional transmission allocation factor (D2 = 47.89%) is from Otter Tail's last general rate case in Minnesota.

Percent of Revenue Rate Design per Order Item 6 in Docket No. E017/M-10-1061								
15	Forecasted Minnesota Retail Revenues (May 2013 - April 2014)							\$ 157,523,787
16	Revenue Requirement							\$2,268,907
17	Percent of revenue rate for MN TCRR							1.44036%
		A	B	C	D	E	F	G
		Forecast Base Revenue May 2013 - April 2014	# of Customers	Average Base Revenue per Customer per Month (Column A / Column B / 12)	Average TCR Revenue per Customer Per Month from % Base Revenue (1)	Avg kW per month	Avg kWh per month	Average TCR Revenue per Customer Per Month per <u>Current Rate Design</u> (2)
18	Large General Service	\$72,502,914	525	\$11,508	\$165.76	356		\$164.57
19	Controlled Service	\$8,881,261	16,669	\$44	\$0.64		916	\$0.20
20	Lighting	\$2,700,902	2,619	\$86	\$1.24		641	\$0.58
21	All Other Service	\$73,438,710	58,586	\$104	\$1.50		1,211	\$1.67
22	Total	\$157,523,787						
(1) Percent of Revenue Rate of 1.49191% X Average Monthly Customer Bill in Column C (2) Corresponding Proposed rate from Current Rate Design X average kW (Column E) or average kWh (Column F)								

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2012												YE Actual
		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	
Revenue Requirements														
1	CAPX 2020 Fargo	109,312	109,312	109,312	109,312	111,067	111,067	111,067	111,067	111,067	111,067	111,067	109,365	1,324,083
2	CAPX 2020 Bemidji	73,804	73,804	73,804	73,804	73,804	73,804	73,804	73,804	83,441	87,067	87,067	86,532	934,539
3	CAPX 2020 Cass Lake - Bemidji	30,223	30,223	30,223	30,429	30,429	30,429	30,429	30,429	34,045	34,045	34,045	34,045	378,994
4	CAPX 2020 Brookings	18,532	18,532	18,532	18,532	18,532	18,532	18,532	18,532	18,532	18,532	18,532	18,532	222,386
5	Ramsey 230/115 kW Transformer Upgrade	718	718	718	718	718	718	718	718	718	718	718	718	8,613
6	Sheyenne – Audubon 230 kV Line Upgrade	719	719	719	719	719	719	719	719	719	719	719	719	8,626
7	Total Revenue Requirements	233,307	233,307	233,307	233,514	235,269	235,269	235,269	235,269	248,522	252,148	252,148	249,911	2,877,242
MISO Expenses														
10	MISO Schedule 26 Expense	121,560	283,663	255,050	237,325	187,071	196,568	226,708	261,863	245,446	201,637	243,621	249,175	2,709,686
11	MISO Schedule 26A Expense	0	4,899	3,652	4,244	4,446	3,427	3,513	2,681	3,048	3,067	3,256	4,244	40,477
12	Total MISO Expenses	121,560	288,562	258,702	241,570	191,517	199,994	230,221	264,544	248,494	204,704	246,877	253,418	2,750,163
MISO Revenues														
15	MISO Schedule 26 Revenue	(137,076)	(338,163)	(298,839)	(316,588)	(277,598)	(345,793)	(417,891)	(465,004)	(429,200)	(380,867)	(301,963)	(311,368)	(4,020,349)
16	MISO Schedule 37 & 38 Revenue	0	(9,358)	(9,358)	(9,358)	(9,358)	(9,358)	(9,946)	(9,946)	(9,931)	(9,924)	(9,924)	(9,924)	(106,385)
17	MISO Schedule 26A Revenue	0	(21,502)	(18,354)	(18,976)	(17,159)	(18,052)	(20,246)	(24,433)	(22,297)	(18,436)	(17,423)	(17,934)	(214,813)
18	Total MISO Revenues	(137,076)	(369,022)	(326,551)	(344,922)	(304,115)	(373,203)	(448,083)	(499,383)	(461,428)	(409,228)	(329,311)	(339,226)	(4,341,547)
20	Net Revenue Requirement	217,791	152,847	165,458	130,162	122,671	62,061	17,407	431	35,588	47,624	169,714	164,103	1,285,857
22	Billed (forecast kWh x adj factor)	89,865	90,996	83,842	149,683	142,911	153,032	169,572	174,699	166,808	156,594	167,198	173,024	1,718,223
24	Difference	127,927	61,851	81,616	(19,521)	(20,239)	(90,971)	(152,165)	(174,268)	(131,220)	(108,971)	2,516	(8,921)	(432,366)
25	Carrying Charge	(180)	737	1,186	1,780	1,653	1,519	878	(208)	(1,460)	(2,412)	(3,211)	(3,216)	(2,935)
26	Cumulative Difference	102,681	165,269	248,071	230,331	211,744	122,292	(28,995)	(203,471)	(336,151)	(447,534)	(448,229)	(460,367)	
28	Carrying Charge Calculation	737	1,186	1,780	1,653	1,519	878	(208)	(1,460)	(2,412)	(3,211)	(3,216)	(3,303)	
29	Cumulative Carrying Charge	49,466	50,652	52,432	54,085	55,604	56,482	56,274	54,814	52,402	49,190	45,974	42,671	
30	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
33	Forecasted Sales (MWh)													

Approved Mar 26, 2012; Rate Effective Apr 1, 2012

SUMMARY	Jan 2011 - Dec 2012
Revenue requirements	\$3,249,861
Carrying Charge	52,650
True-up	17,314
Total requirements	\$3,319,825
Revenue Collected in 2011	813,264
Total Collection Needed	\$2,506,562
Nov 2011-Dec 2012 projected sales in mWh	2,514,814
Average Rate	\$0.00100

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2013			
		January Actual	February Projected	March Projected	April Projected
	Revenue Requirements				
1	CAPX 2020 Fargo	219,251	219,251	219,296	219,296
2	CAPX 2020 Bemidji	87,550	87,550	87,541	87,759
3	CAPX 2020 Cass Lake - Bemidji	38,444	38,444	39,426	39,219
4	CAPX 2020 Brookings	66,646	66,646	66,646	66,646
5	Ramsey 230/115 kW Transformer Upgrade	2,144	2,144	2,144	2,144
6	Sheyenne – Audubon 230 kV Line Upgrade	2,420	2,420	2,420	2,420
7	Total Revenue Requirements	416,456	416,456	417,473	417,485
8					
9	MISO Expenses				
10	MISO Schedule 26 Expense	287,607	305,447	305,447	305,447
11	MISO Schedule 26A Expense	5,413	30,479	28,967	25,314
12	Total MISO Expenses	293,020	335,926	334,414	330,762
13					
14	MISO Revenues				
15	MISO Schedule 26 Revenue	(330,653)	(497,897)	(497,897)	(497,897)
16	MISO Schedule 37 & 38 Revenue	(9,924)	0	0	0
17	MISO Schedule 26A Revenue	(19,066)	(76,789)	(76,789)	(76,789)
18	Total MISO Revenues	(359,644)	(574,686)	(574,686)	(574,686)
19					
20	Net Revenue Requirement	349,832	177,696	177,202	173,561
21					
22	Billed (forecast kWh x adj factor)	193,495	213,482	194,763	184,292
23					
24	Difference	156,337	(35,786)	(17,562)	(10,731)
25	Carrying Charge	(3,303)	(2,205)	(2,478)	(2,622)
26	Cumulative Difference	(307,333)	(345,324)	(365,363)	(378,716)
27					
28	Carrying Charge Calculation	(2,205)	(2,478)	(2,622)	(2,718)
29	Cumulative Carrying Charge	40,465	37,987	35,366	32,648
30	Carrying cost	8.61%	8.61%	8.61%	8.61%
31					
32					
33	Forecasted Sales (MWh)		214,185	195,404	184,899

Line No.	TRACKER SUMMARY Requirements Compared to Billed:	2013								2014				Recovery Period Ending
		May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	January Projected	February Projected	March Projected	April Projected	
1	Revenue Requirements													
1	CAPX 2020 Fargo	219,296	219,296	219,296	219,296	219,296	219,296	219,296	219,296	367,158	367,689	368,166	368,475	3,225,858
2	CAPX 2020 Bemidji	87,649	87,671	87,662	87,645	87,647	87,650	87,652	87,652	84,728	84,728	84,728	84,728	1,040,139
3	CAPX 2020 Cass Lake - Bemidji	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	37,377	37,377	37,377	37,377	463,263
4	CAPX 2020 Brookings	66,646	66,646	66,646	66,646	71,032	71,053	71,041	71,077	123,468	123,694	123,751	123,807	1,045,507
5	Ramsey 230/115 kW Transformer Upgrade	2,144	2,144	2,144	2,496	2,496	2,496	2,496	2,496	2,334	2,334	2,334	2,334	28,251
6	Sheyenne – Audubon 230 kV Line Upgrade	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	5,610	5,610	5,610	5,610	41,800
7	Total Revenue Requirements	417,375	417,398	417,388	417,723	422,111	422,134	422,125	422,161	620,675	621,432	621,966	622,331	5,844,817
8														
9	MISO Expenses													
10	MISO Schedule 26 Expense	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,448	420,888	420,888	420,888	4,011,689
11	MISO Schedule 26A Expense	23,251	20,737	20,857	22,236	21,984	22,505	26,116	29,050	69,364	66,009	58,574	53,687	434,371
12	Total MISO Expenses	328,699	326,185	326,304	327,683	327,431	327,952	331,563	334,498	374,812	486,897	479,462	474,574	4,446,060
13														
14	MISO Revenues													
15	MISO Schedule 26 Revenue	(497,897)	(497,897)	(497,897)	(497,897)	(497,897)	(497,897)	(497,897)	(497,897)	(497,897)	(672,214)	(672,214)	(672,214)	(6,497,711)
16	MISO Schedule 37 & 38 Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
17	MISO Schedule 26A Revenue	(76,789)	(76,789)	(76,789)	(76,789)	(76,789)	(76,789)	(76,789)	(76,789)	(76,789)	(142,507)	(142,507)	(142,507)	(1,118,623)
18	Total MISO Revenues	(574,686)	(574,686)	(574,686)	(574,686)	(574,686)	(574,686)	(574,686)	(574,686)	(574,686)	(814,721)	(814,721)	(814,721)	(7,616,334)
19														
20	Net Revenue Requirement	171,388	168,897	169,006	170,720	174,857	175,401	179,003	181,973	420,801	293,607	286,706	282,184	2,674,543
21														
22	Billed (forecast kWh x adj factor)	161,698	157,006	166,844	173,675	170,116	163,652	182,702	202,501	236,658	235,006	216,962	202,087	
23														
24	Difference	9,690	11,890	2,162	(2,954)	4,741	11,749	(3,699)	(20,528)	184,142	58,602	69,745	80,097	405,636
25	Carrying Charge	(2,718)	(2,668)	(2,601)	(2,605)	(2,644)	(2,629)	(2,564)	(2,609)	(2,775)	(1,473)	(1,063)	(571)	(26,920)
26	Cumulative Difference	(371,744)	(362,521)	(362,961)	(368,519)	(366,423)	(357,303)	(363,566)	(386,703)	(205,336)	(148,208)	(79,526)	0	
27														
28	Carrying Charge Calculation	(2,668)	(2,601)	(2,605)	(2,644)	(2,629)	(2,564)	(2,609)	(2,775)	(1,473)	(1,063)	(571)	0	
29	Cumulative Carrying Charge	29,980	27,379	24,775	22,130	19,501	16,937	14,328	11,553	10,080	9,016	8,446	8,446	
30	Carrying cost	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	8.61%	
31														
32														
33	Forecasted Sales (MWh)	165,448	160,647	170,713	177,702	174,060	167,446	186,938	207,196	242,146	240,455	221,992	206,773	2,321,516

SUMMARY	May 2013 - April 2014
Revenue requirements	\$2,674,543
Carrying Charge	(26,920)
2012-2013 True-up	(378,716)
Total requirements	\$2,268,907
May 2013-April 2014 projected sales in mWh	2,321,516
Average Rate	\$0.00098

Line No.		2012 Actual January	2012 Actual February	2012 Actual March	2012 Actual April	2012 Actual May	2012 Actual June	2012 Actual July	2012 Actual August	2012 Actual September	2012 Actual October	2012 Actual November	2012 Actual December	2012 Actual Total
	RATE BASE													
1	Plant Balance	8,706,421	8,706,421	8,706,421	10,709,331	10,709,331	10,709,331	10,709,331	10,709,331	10,709,331	10,709,331	10,223,472	10,384,498	10,384,498
2	Accumulated Depreciation	(15,937)	(31,874)	(47,811)	(63,747)	(83,350)	(102,954)	(122,557)	(142,160)	(161,763)	(181,366)	(200,969)	(217,017)	(217,017)
3	Net Plant in Service	8,690,484	8,674,548	8,658,611	10,645,584	10,625,981	10,606,377	10,586,774	10,567,171	10,547,568	10,527,965	10,022,503	10,167,481	10,167,481
4	CWIP	8,192,144	8,695,325	9,700,853	8,165,395	9,256,755	10,786,674	12,909,196	14,433,151	15,187,541	15,923,725	18,281,832	19,280,861	19,280,861
5	Accumulated Deferred Income Taxes Federal & S	(2,948,937)	(2,978,611)	(3,008,284)	(3,037,958)	(3,066,115)	(3,094,272)	(3,122,429)	(3,150,586)	(3,178,743)	(3,206,900)	(3,235,057)	(3,264,685)	(3,264,685)
6	Ending rate base	13,933,692	14,391,262	15,351,180	15,773,021	16,816,621	18,298,779	20,373,541	21,849,736	22,556,366	23,244,790	25,069,278	26,183,657	26,183,657
7														
8	Average rate base	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	1,583,265	18,999,184
9														
10	Return on Rate Base	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	1,635,992
11														
12	Available for return (equity portion of rate base)	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	1,055,353
13														
14	EXPENSES													
15	<i>O&M and Depreciation</i>													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	13,930	13,930	13,930	13,930	13,930	13,930	13,930	13,930	13,930	13,930	13,930	13,930	167,163
18	Book Depreciation	15,937	15,937	15,937	15,937	19,603	19,603	19,603	19,603	19,603	19,603	19,603	16,048	217,017
19	Total O&M and Depreciation Expense	29,867	29,867	29,867	29,867	33,533	33,533	33,533	33,533	33,533	33,533	33,533	29,979	384,181
20														
21	Income before Taxes													
22	Available for return (from above)	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	87,946	1,055,353
23	Taxable Income (grossed up)	150,002	150,002	150,002	150,002	150,002	150,002	150,002	150,002	150,002	150,002	150,002	150,002	1,800,022
24														
25	Income Taxes													
26	Current and Def Income Taxes	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	744,669
27	Total Income Tax Expense	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	62,056	744,669
28														
29														
30	REVENUE REQUIREMENTS													
31	Expenses	91,923	91,923	91,923	91,923	95,589	95,589	95,589	95,589	95,589	95,589	95,589	92,034	1,128,850
32	Return on rate base	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	136,333	1,635,992
33	Subtotal revenue requirements	228,256	228,256	228,256	228,256	231,922	231,922	231,922	231,922	231,922	231,922	231,922	228,367	2,764,842
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	228,256	228,256	228,256	228,256	231,922	231,922	231,922	231,922	231,922	231,922	231,922	228,367	2,764,842
37														
38	Minnesota share - D2 factor	109,312	109,312	109,312	109,312	111,067	111,067	111,067	111,067	111,067	111,067	111,067	109,365	1,324,083

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure	<u>Ratio</u>		<u>Cost</u>		<u>WA Cost</u>		<u>Property tax</u>						
3	Debt	48.28%		6.33%		3.06%		2012 composite rate				1.92%		
4	Preferred equity	0.00%		0.00%		0.00%								
5	Common equity	51.72%		10.74%		5.55%								
6	Total	100.00%				8.61%		Overall Return						
7														
8														
9		<u>Book</u>		<u>Tax</u>										
10	Project life (years)	50		15-year MACRS										
11														
12				<u>Fed Portion</u>		<u>State Portion</u>								
13	Statutory Tax Rate	41.37%		31.57%		9.80%								
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	15,937	15,937	15,937	15,937	19,603	19,603	19,603	19,603	19,603	19,603	19,603	16,048	217,017
20	Tax depreciation-Federal	73,416	73,416	73,416	73,416	73,416	73,416	73,416	73,416	73,416	73,416	73,416	73,416	880,990
21	Tax depreciation-MN	133,566	133,566	133,566	133,566	133,566	133,566	133,566	133,566	133,566	133,566	133,566	133,566	1,602,787
22	Federal deferred income taxes	(18,146)	(18,146)	(18,146)	(18,146)	(16,989)	(16,989)	(16,989)	(16,989)	(16,989)	(16,989)	(16,989)	(18,111)	(209,616)
23	State deferred income taxes	(11,528)	(11,528)	(11,528)	(11,528)	(11,168)	(11,168)	(11,168)	(11,168)	(11,168)	(11,168)	(11,168)	(11,517)	(135,805)

Line No.	SUPPORTING INFORMATION / DATA												
1	MN Cap Structure with allowed ROE per order.												
2	Capital Structure	<u>Ratio</u>	<u>Cost</u>	<u>WA Cost</u>	<u>Property tax</u>								
3	Debt	48.28%	6.33%	3.06%	2013 composite rate								
4	Preferred equity	0.00%	0.00%	0.00%	1.92%								
5	Common equity	51.72%	10.74%	5.55%									
6	Total	100.00%		8.61%	Overall Return								
7													
8													
9		<u>Book</u>	<u>Tax</u>										
10	Project life (years)	50	15-year MACRS										
11				<u>Fed Portion</u>	<u>State Portion</u>								
12	Statutory Tax Rate	41.37%	31.57%	9.80%									
13	Tax conversion factor	1.70561											
14	Wholesale Revenue Credit	0.00%											
15	MN share - D2 factor	47.890%											
16													
17													
18	Deferred Tax												
19	Book depreciation	16,936	16,936	17,031	17,031	17,031	17,031	17,031	17,031	17,031	17,031	17,031	204,179
20	Tax depreciation-Federal	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	12,900,290	13,001,090
21	Tax depreciation-MN	134,515	134,515	134,515	134,515	134,515	134,515	134,515	134,515	134,515	134,515	3,203,831	4,683,502
22	Federal deferred income taxes	2,454	2,454	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	(4,067,245)	(4,039,985)
23	State deferred income taxes	(11,523)	(11,523)	(11,514)	(11,514)	(11,514)	(11,514)	(11,514)	(11,514)	(11,514)	(11,514)	(312,306)	(438,974)

Line No.		2014 Projected January	2014 Projected February	2014 Projected March	2014 Projected April	2014 Projected May	2014 Projected June	2014 Projected July	2014 Projected August	2014 Projected September	2014 Projected October	2014 Projected November	2014 Projected December	2014 Projected Total
RATE BASE														
1	Plant Balance	35,672,908	36,281,074	36,673,908	37,005,264	37,344,954	37,600,166	37,632,703	37,652,727	37,672,751	37,691,704	37,691,704	37,691,704	37,691,704
2	Accumulated Depreciation	(478,377)	(536,667)	(595,953)	(655,883)	(716,356)	(777,386)	(838,834)	(900,336)	(961,870)	(1,023,437)	(1,085,035)	(1,146,634)	(1,146,634)
3	Net Plant in Service	35,194,531	35,744,407	36,077,955	36,349,381	36,628,598	36,822,780	36,793,869	36,752,391	36,710,881	36,668,267	36,606,669	36,545,070	36,545,070
4	CWIP	22,312,143	24,460,694	26,433,985	28,109,742	30,033,320	31,537,765	33,422,193	35,318,203	37,429,611	38,300,233	39,207,472	40,060,978	40,060,978
5	Accumulated Deferred Income Taxes Federal & S	(7,795,831)	(7,847,560)	(7,898,877)	(7,949,927)	(8,000,753)	(8,051,348)	(8,101,770)	(8,152,170)	(8,202,557)	(8,252,930)	(8,303,290)	(8,353,650)	(8,353,650)
6	Ending rate base	49,710,843	52,357,541	54,613,064	56,509,196	58,661,165	60,309,197	62,114,292	63,918,424	65,937,935	66,715,570	67,510,851	68,252,398	68,252,398
7														
8	Average rate base	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	4,958,640	59,503,682
9														
10	Return on Rate Base	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	5,123,774
11														
12	Available for return (equity portion of rate base)	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	3,305,268
13														
EXPENSES														
14														
15	<i>O&M and Depreciation</i>													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	88,154	88,154	88,154	88,154	88,154	88,154	88,154	88,154	88,154	88,154	88,154	88,154	1,057,852
18	Book Depreciation	57,181	58,289	59,286	59,930	60,473	61,030	61,448	61,502	61,534	61,567	61,598	61,598	725,437
19	Total O&M and Depreciation Expense	145,335	146,444	147,441	148,084	148,627	149,184	149,603	149,656	149,689	149,722	149,753	149,753	1,783,290
20														
21	Income before Taxes													
22	Available for return (from above)	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	275,439	3,305,268
23	Taxable Income (grossed up)	469,792	469,792	469,792	469,792	469,792	469,792	469,792	469,792	469,792	469,792	469,792	469,792	5,637,502
24														
25	Income Taxes													
26	Current and Def Income Taxes	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	2,332,235
27	Total Income Tax Expense	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	194,353	2,332,235
28														
29														
REVENUE REQUIREMENTS														
30														
31	Expenses	339,688	340,797	341,793	342,437	342,980	343,537	343,955	344,009	344,042	344,074	344,105	344,105	4,115,524
32	Return on rate base	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	426,981	5,123,774
33	Subtotal revenue requirements	766,669	767,778	768,775	769,418	769,962	770,518	770,937	770,990	771,023	771,056	771,087	771,087	9,239,298
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	766,669	767,778	768,775	769,418	769,962	770,518	770,937	770,990	771,023	771,056	771,087	771,087	9,239,298
37														
38	Minnesota share - D2 factor	367,158	367,689	368,166	368,475	368,735	369,001	369,202	369,227	369,243	369,259	369,273	369,273	4,424,700

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure	<u>Ratio</u>		<u>Cost</u>		<u>WA Cost</u>		<u>Property tax</u>						
3	Debt	48.28%		6.33%		3.06%		2014 composite rate				1.92%		
4	Preferred equity	0.00%		0.00%		0.00%								
5	Common equity	51.72%		10.74%		5.55%								
6	Total	100.00%				8.61%		Overall Return						
7														
8														
9		<u>Book</u>		<u>Tax</u>										
10	Project life (years)	50		15-year MACRS										
11														
12				<u>Fed Portion</u>		<u>State Portion</u>								
13	Statutory Tax Rate	41.37%		31.57%		9.80%								
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	57,181	58,289	59,286	59,930	60,473	61,030	61,448	61,502	61,534	61,567	61,598	61,598	725,437
20	Tax depreciation-Federal	114,403	114,403	114,403	114,403	114,403	114,403	114,403	114,403	114,403	114,403	114,403	114,403	1,372,830
21	Tax depreciation-MN	405,372	405,372	405,372	405,372	405,372	405,372	405,372	405,372	405,372	405,372	405,372	405,372	4,864,466
22	Federal deferred income taxes	(18,065)	(17,715)	(17,400)	(17,197)	(17,026)	(16,850)	(16,718)	(16,701)	(16,690)	(16,680)	(16,670)	(16,670)	(204,382)
23	State deferred income taxes	(34,123)	(34,014)	(33,916)	(33,853)	(33,800)	(33,746)	(33,705)	(33,699)	(33,696)	(33,696)	(33,690)	(33,690)	(405,625)

Line No.	Year>>	2012 Actual January	2012 Actual February	2012 Actual March	2012 Actual April	2012 Actual May	2012 Actual June	2012 Actual July	2012 Actual August	2012 Actual September	2012 Actual October	2012 Actual November	2012 Actual December	2012 Actual Total
RATE BASE														
1		0	0	0	0	0	0	0	11,471,976	15,788,011.89	15,788,012	15,151,172	15,467,325	15,467,325
2		0	0	0	0	0	0	0	0	(20,124)	(47,818)	(75,513)	(102,090)	(102,090)
3		0	0	0	0	0	0	0	11,471,976	15,767,888	15,740,194	15,075,659	15,365,235	15,365,235
4		10,154,081	12,247,027	13,037,544	13,929,841	14,693,527	14,976,441	15,103,940	4,243,049	(561)	368,714	0	0	0
5		0	0	0	0	0	0	0	(550,614)	(1,092,902)	(1,632,058)	(2,171,215)	(2,710,833)	(2,710,833)
6		10,154,081	12,247,027	13,037,544	13,929,841	14,693,527	14,976,441	15,103,940	15,164,411	14,674,425	14,476,849	12,904,445	12,654,402	12,654,402
7														
8		1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	1,111,056	13,332,673
9														
10		95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	1,148,057
11														
12		61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	740,594
13		86,940												
EXPENSES														
<i>O&M and Depreciation</i>														
16		0	0	0	0	0	0	0	0	0	0	0	0	0
17		14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	178,710
18		0	0	0	0	0	0	0	0	20,124	27,695	27,695	26,577	102,090
19		14,892	14,892	14,892	14,892	14,892	14,892	14,892	14,892	35,016	42,587	42,587	41,470	280,800
20														
21		61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	61,716	740,594
22		105,264	105,264	105,264	105,264	105,264	105,264	105,264	105,264	105,264	105,264	105,264	105,264	1,263,165
23	1.7056													
24														
25		43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	522,571
26	41.37%													
27		43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	522,571
28														
29														
REVENUE REQUIRMENTS														
31		58,440	58,440	58,440	58,440	58,440	58,440	58,440	58,440	78,564	86,135	86,135	85,018	803,372
32		95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	95,671	1,148,057
33		154,112	154,112	154,112	154,112	154,112	154,112	154,112	154,112	174,235	181,806	181,806	180,689	1,951,428
34														
35		0	0	0	0	0	0	0	0	0	0	0	0	0
36		154,112	154,112	154,112	154,112	154,112	154,112	154,112	154,112	174,235	181,806	181,806	180,689	1,951,428
37														
38	47.89%	73,804	73,804	73,804	73,804	73,804	73,804	73,804	73,804	83,441	87,067	87,067	86,532	934,539

Line No.	SUPPORTING INFORMATION / DATA												
1	MN Cap Structure with allowed ROE per order.												
2	Capital Structure		Ratio		Cost		WA Cost		Property tax				
3	Debt		48.28%		6.33%		3.06%		2012 composite rate			1.92%	
4	Preferred equity		0.00%		0.00%		0.00%						
5	Common equity		51.72%		10.74%		5.55%						
6	Total		100.00%				8.61%		Overall Return				
7													
8													
9													
10	Project life (years)		Book		Tax								
11			50		15-year MACRS								
12													
13													
14													
15													
16													
17													
18	Deferred Tax												
19	Book depreciation	0	0	0	0	0	0	0	20,124	27,695	27,695	26,577	102,090
20	Tax depreciation-Federal	0	0	0	0	0	0	0	1,624,069	1,624,069	1,624,069	1,624,069	8,120,346
21	Tax depreciation-MN	0	0	0	0	0	0	0	386,683	386,683	386,683	386,683	1,933,416
22	Federal deferred income taxes	0	0	0	0	0	0	(512,719)	(506,366)	(503,975)	(503,975)	(504,328)	(2,531,363)
23	State deferred income taxes	0	0	0	0	0	0	(37,895)	(35,923)	(35,181)	(35,181)	(35,290)	(179,470)

Line No.	Year>>	2013 Actual January	2013 Projected February	2013 Projected March	2013 Projected April	2013 Projected May	2013 Projected June	2013 Projected July	2013 Projected August	2013 Projected September	2013 Projected October	2013 Projected November	2013 Projected December	2013 Projected Total
RATE BASE														
1		15,467,325	15,454,833	15,732,726	15,593,386	15,621,618	15,609,381	15,587,329	15,590,678	15,593,968	15,597,266	15,597,266	15,597,266	15,597,266
2		(130,232)	(158,375)	(186,496)	(215,073)	(243,422)	(271,817)	(300,192)	(328,531)	(356,875)	(385,225)	(413,580)	(441,935)	(441,935)
3		15,337,093	15,296,459	15,546,230	15,378,313	15,378,196	15,337,564	15,287,137	15,262,148	15,237,093	15,212,042	15,183,687	15,155,331	15,155,331
4		19,944	0	0	0	0	0	0	0	0	0	0	0	0
5		(2,736,552)	(2,762,271)	(2,787,999)	(2,813,538)	(2,839,171)	(2,864,728)	(2,890,351)	(2,915,989)	(2,941,624)	(2,967,257)	(2,992,888)	(3,018,519)	(3,018,519)
6		12,620,485	12,534,187	12,758,231	12,564,775	12,539,025	12,472,836	12,396,786	12,346,159	12,295,469	12,244,785	12,190,799	12,136,813	12,136,813
7														
8		1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	1,036,889	12,442,673
9														
10		89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	1,071,420
11														
12		57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	691,157
13														
EXPENSES														
<i>O&M and Depreciation</i>														
16		0	0	0	0	0	0	0	0	0	0	0	0	0
17		24,748	24,748	24,748	24,748	24,748	24,748	24,748	24,748	24,748	24,748	24,748	24,748	296,973
18		28,142	28,142	28,122	28,577	28,349	28,395	28,375	28,339	28,344	28,350	28,355	28,355	339,844
19		52,890	52,890	52,869	53,325	53,096	53,143	53,123	53,086	53,092	53,097	53,103	53,103	636,817
20														
21		57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	691,157
22		57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	57,596	691,157
23	1.7056	98,237	98,237	98,237	98,237	98,237	98,237	98,237	98,237	98,237	98,237	98,237	98,237	1,178,845
24														
25		40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	487,688
26	41.37%	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	487,688
27		40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	40,641	487,688
28														
29														
REVENUE REQUIRMENTS														
31		93,530	93,530	93,510	93,965	93,737	93,783	93,763	93,727	93,733	93,738	93,743	93,743	1,124,505
32		89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	89,285	1,071,420
33		182,815	182,815	182,795	183,250	183,022	183,068	183,048	183,012	183,018	183,023	183,028	183,028	2,195,925
34														
35		0	0	0	0	0	0	0	0	0	0	0	0	0
36		182,815	182,815	182,795	183,250	183,022	183,068	183,048	183,012	183,018	183,023	183,028	183,028	2,195,925
37														
38	47.89%	87,550	87,550	87,541	87,759	87,649	87,671	87,662	87,645	87,647	87,650	87,652	87,652	1,051,629

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio		Cost		WA Cost				Property tax				
4	Debt	48.28%		6.33%		3.06%				2013 composite rate		1.92%		
5	Preferred equity	0.00%		0.00%		0.00%								
6	Common equity	51.72%		10.74%		5.55%								
7	Total	100.00%				8.61%		Overall Return						
8														
9		Book		Tax										
10	Project life (years)	50		15-year MACRS										
11														
12				Fed Portion		State Portion								
13	Statutory Tax Rate	41.37%		31.57%		9.80%								
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	28,142	28,142	28,122	28,577	28,349	28,395	28,375	28,339	28,344	28,350	28,355	28,355	339,844
20	Tax depreciation-Federal	66,910	66,910	66,910	66,910	66,910	66,910	66,910	66,910	66,910	66,910	66,910	66,910	802,917
21	Tax depreciation-MN	165,694	165,694	165,694	165,694	165,694	165,694	165,694	165,694	165,694	165,694	165,694	165,694	1,988,327
22	Federal deferred income taxes	(12,239)	(12,239)	(12,245)	(12,102)	(12,174)	(12,102)	(12,165)	(12,177)	(12,175)	(12,173)	(12,172)	(12,172)	(146,135)
23	State deferred income taxes	(13,480)	(13,480)	(13,482)	(13,437)	(13,460)	(13,455)	(13,457)	(13,461)	(13,460)	(13,460)	(13,459)	(13,459)	(161,551)

Line No.	Year>>	2012 Actual January	2012 Actual February	2012 Actual March	2012 Actual April	2012 Actual May	2012 Actual June	2012 Actual July	2012 Actual August	2012 Actual September	2012 Actual October	2012 Actual November	2012 Actual December	2012 Actual Total
RATE BASE														
1		0	0	0	0	0	0	0	5,644,333	5,644,333	5,644,333	5,644,333	5,590,517	5,590,517
2		0	0	0	0	0	0	0	0	(7,550)	(15,100)	(22,649)	(30,199)	(30,199)
3		0	0	0	0	0	0	0	5,644,333	5,636,783	5,629,233	5,621,683	5,560,317	5,560,317
4		3,939,146	4,393,829	5,047,211	5,170,069	5,678,033	5,782,045	6,241,390	632,152	978,929	1,173,608	1,344,779	1,440,886	1,440,886
5		0	0	0	0	0	0	0	(199,014)	(394,905)	(590,795)	(786,686)	(982,577)	(982,577)
6		3,939,146	4,393,829	5,047,211	5,170,069	5,678,033	5,782,045	6,241,390	6,077,471	6,220,807	6,212,046	6,179,776	6,018,627	6,018,627
7														
8		454,104	454,104	454,104	454,104	454,104	454,104	454,104	454,104	454,104	454,104	454,104	454,104	5,449,248
9														
10		39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	469,227
11														
12		25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	302,691
13														
EXPENSES														
<i>O&M and Depreciation</i>														
16		0	0	0	432	432	432	432	432	432	432	432	432	3,886
17		6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	74,492
18		0	0	0	0	0	0	0	0	7,550	7,550	7,550	7,550	30,199
19		6,208	6,208	6,208	6,639	6,639	6,639	6,639	6,639	14,189	14,189	14,189	14,189	108,576
20														
21														
22		25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	25,224	302,691
23	1.7056	43,023	43,023	43,023	43,023	43,023	43,023	43,023	43,023	43,023	43,023	43,023	43,023	516,273
24														
25														
26	41.37%	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	213,582
27		17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	17,799	213,582
28														
29														
REVENUE REQUIRMENTS														
31		24,006	24,006	24,006	24,438	24,438	24,438	24,438	24,438	31,988	31,988	31,988	31,988	322,159
32		39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	39,102	469,227
33		63,108	63,108	63,108	63,540	63,540	63,540	63,540	63,540	71,090	71,090	71,090	71,090	791,385
34														
35		0	0	0	0	0	0	0	0	0	0	0	0	0
36		63,108	63,108	63,108	63,540	63,540	63,540	63,540	63,540	71,090	71,090	71,090	71,090	791,385
37														
38	47.89%	30,223	30,223	30,223	30,429	30,429	30,429	30,429	30,429	34,045	34,045	34,045	34,045	378,994

Line No.	SUPPORTING INFORMATION / DATA												
1	MN Cap Structure with allowed ROE per order.												
2	Capital Structure												
3		Ratio		Cost		WA Cost		Property tax					
4	Debt	48.28%		6.33%		3.06%		2012 composite rate				1.92%	
5	Preferred equity	0.00%		0.00%		0.00%							
6	Common equity	51.72%		10.74%		5.55%							
7	Total	100.00%				8.61%		Overall Return					
8													
9		Book		Tax									
10	Project life (years)	50		15-year MACRS									
11													
12				Fed Portion		State Portion							
13	Statutory Tax Rate	41.37%		31.57%		9.80%							
14	Tax conversion factor	1.70561											
15	Wholesale Revenue Credit	0.00%											
16	MN share - D2 factor	47.890%											
17													
18	Deferred Tax												
19	Book depreciation	0	0	0	0	0	0	0	7,550	7,550	7,550	7,550	30,199
20	Tax depreciation-Federal	0	0	0	0	0	0	587,004	587,004	587,004	587,004	587,004	2,935,021
21	Tax depreciation-MN	0	0	0	0	0	0	139,763	139,763	139,763	139,763	139,763	698,815
22	Federal deferred income taxes	0	0	0	0	0	0	(185,317)	(182,934)	(182,934)	(182,934)	(182,934)	(917,052)
23	State deferred income taxes	0	0	0	0	0	0	(13,697)	(12,957)	(12,957)	(12,957)	(12,957)	(65,524)

Line No.	Year>>	2013 Actual January	2013 Projected February	2013 Projected March	2013 Projected April	2013 Projected May	2013 Projected June	2013 Projected July	2013 Projected August	2013 Projected September	2013 Projected October	2013 Projected November	2013 Projected December	2013 Projected Total
RATE BASE														
1		0	0	0	0	0	0	0	5,587,674	5,613,726	5,598,876	5,644,269	9,273,851	9,273,851
2		0	0	0	0	0	0	0	0	(9,158)	(18,359)	(27,536)	(36,787)	(36,787)
3		0	0	0	0	0	0	0	5,587,674	5,604,568	5,580,517	5,616,733	9,237,064	9,237,064
4		8,075,795	9,092,194	10,121,929	10,990,622	11,672,905	12,552,720	13,467,601	8,679,735	9,520,773	10,226,133	10,839,085	7,863,060	7,863,060
5		0	0	0	0	0	0	0	(202,543)	(401,298)	(600,035)	(798,782)	(1,635,457)	(1,635,457)
6		8,075,795	9,092,194	10,121,929	10,990,622	11,672,905	12,552,720	13,467,601	14,064,865	14,724,042	15,206,614	15,657,036	15,464,667	15,464,667
7														
8		1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	1,016,107	12,193,289
9														
10		87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	1,049,946
11														
12		56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	677,304
13														
EXPENSES														
<i>O&M and Depreciation</i>														
16		0	0	0	0	0	0	0	0	0	0	0	0	0
17		11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	142,125
18		0	0	0	0	0	0	0	0	9,158	9,201	9,177	9,251	36,787
19		11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844	21,002	21,045	21,020	21,095	178,911
20														
21		56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	56,442	677,304
22	1.7056	96,268	96,268	96,268	96,268	96,268	96,268	96,268	96,268	96,268	96,268	96,268	96,268	1,155,218
23														
24														
25		39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	477,914
26	41.37%	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	477,914
27														
28														
29														
REVENUE REQUIRMENTS														
31		51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670	60,828	60,871	60,846	60,921	656,825
32		87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	87,496	1,049,946
33		139,165	139,165	139,165	139,165	139,165	139,165	139,165	139,165	148,324	148,366	148,342	148,416	1,706,771
34														
35		0	0	0	0	0	0	0	0	0	0	0	0	0
36		139,165	139,165	139,165	139,165	139,165	139,165	139,165	139,165	148,324	148,366	148,342	148,416	1,706,771
37														
38	47.89%	66,646	66,646	66,646	66,646	66,646	66,646	66,646	66,646	71,032	71,053	71,041	71,077	817,373

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure													
3		Ratio		Cost		WA Cost								
4	Debt	48.28%		6.33%		3.06%								
5	Preferred equity	0.00%		0.00%		0.00%								
6	Common equity	51.72%		10.74%		5.55%								
7	Total	100.00%				8.61%	Overall Return							
8														
9		Book		Tax										
10	Project life (years)	50		15-year MACRS										
11														
12				Fed Portion		State Portion								
13	Statutory Tax Rate	41.37%		31.57%		9.80%								
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	0	0	0	0	0	0	0	0	9,158	9,201	9,177	9,251	36,787
20	Tax depreciation-Federal	0	0	0	0	0	0	0	597,415	597,415	597,415	597,415	2,479,114	4,868,772
21	Tax depreciation-MN	0	0	0	0	0	0	0	142,242	142,242	142,242	142,242	590,265	1,159,231
22	Federal deferred income taxes	0	0	0	0	0	0	0	(188,604)	(185,713)	(185,699)	(185,707)	(779,736)	(1,525,458)
23	State deferred income taxes	0	0	0	0	0	0	0	(13,940)	(13,042)	(13,038)	(13,040)	(56,939)	(110,000)

Line No.	Year>>	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
		Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Projected Total
RATE BASE														
1		9,524,547	9,562,911	9,600,758	9,623,070	13,789,341	13,972,099	14,079,763	14,218,156	14,306,355	14,320,960	14,329,737	17,546,444	17,546,444
2		(51,986)	(67,597)	(83,271)	(99,006)	(114,779)	(137,379)	(160,280)	(183,356)	(206,660)	(230,108)	(253,580)	(277,067)	(277,067)
3		9,472,561	9,495,314	9,517,487	9,524,064	13,674,562	13,834,720	13,919,483	14,034,800	14,099,695	14,090,852	14,076,157	17,269,377	17,269,377
4		8,925,015	10,132,710	11,231,951	11,888,695	8,780,784	9,580,426	9,942,135	10,310,909	10,606,801	10,686,592	10,864,990	7,825,788	7,825,788
5		(1,651,292)	(1,666,958)	(1,682,597)	(1,698,210)	(1,725,534)	(1,750,034)	(1,774,409)	(1,798,711)	(1,822,920)	(1,847,068)	(1,871,207)	(1,961,600)	(1,961,600)
6		16,746,283	17,961,066	19,066,841	19,714,548	20,729,812	21,665,112	22,087,209	22,546,997	22,883,576	22,930,376	23,069,940	23,133,565	23,133,565
7														
8		1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	1,717,949	20,615,384
9														
10		147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	1,775,160
11														
12		95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	1,145,129
13														
EXPENSES														
<i>O&M and Depreciation</i>														
16		0	0	0	0	0	0	0	0	0	0	0	0	0
17		27,350	27,412	27,468	27,523	27,554	27,609	27,665	27,720	27,775	27,830	27,830	27,830	331,569
18		15,200	15,611	15,674	15,736	15,772	22,601	22,900	23,077	23,304	23,448	23,472	23,486	240,280
19		42,550	43,023	43,142	43,259	43,326	50,210	50,565	50,797	51,079	51,279	51,302	51,317	571,849
20														
21		95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	95,427	1,145,129
22		162,762	162,762	162,762	162,762	162,762	162,762	162,762	162,762	162,762	162,762	162,762	162,762	1,953,144
23	1.7056													
24														
25		67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	808,016
26	41.37%													
27		67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335	808,016
28														
29														
REVENUE REQUIRMENTS														
31		109,885	110,358	110,476	110,594	110,661	117,545	117,900	118,131	118,413	118,613	118,637	118,651	1,379,864
32		147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	147,930	1,775,160
33		257,815	258,288	258,406	258,524	258,591	265,475	265,830	266,061	266,343	266,543	266,567	266,581	3,155,025
34														
35		0	0	0	0	0	0	0	0	0	0	0	0	0
36		257,815	258,288	258,406	258,524	258,591	265,475	265,830	266,061	266,343	266,543	266,567	266,581	3,155,025
37														
38	47.89%	123,468	123,694	123,751	123,807	123,839	127,136	127,306	127,417	127,552	127,648	127,659	127,666	1,510,941

Line No.	SUPPORTING INFORMATION / DATA													
1	MN Cap Structure with allowed ROE per order.													
2	Capital Structure	Ratio		Cost		WA Cost								
3	Debt	48.28%		6.33%		3.06%								
4	Preferred equity	0.00%		0.00%		0.00%								
5	Common equity	51.72%		10.74%		5.55%								
6	Total	100.00%				8.61%		Overall Return						
7														
8														
9														
10	Project life (years)	Book		Tax										
11		50		15-year MACRS										
12				Fed Portion		State Portion								
13	Statutory Tax Rate	41.37%		31.57%		9.80%								
14	Tax conversion factor	1.70561												
15	Wholesale Revenue Credit	0.00%												
16	MN share - D2 factor	47.890%												
17														
18	Deferred Tax													
19	Book depreciation	15,200	15,611	15,674	15,736	15,772	22,601	22,900	23,077	23,304	23,448	23,472	23,486	240,280
20	Tax depreciation-Federal	38,831	38,831	38,831	38,831	67,175	67,175	67,175	67,175	67,175	67,175	67,175	227,341	852,888
21	Tax depreciation-MN	100,657	100,657	100,657	100,657	129,000	129,000	129,000	129,000	129,000	129,000	129,000	289,166	1,594,796
22	Federal deferred income taxes	(7,460)	(7,331)	(7,311)	(7,291)	(16,228)	(14,072)	(13,977)	(13,922)	(13,850)	(13,805)	(13,797)	(64,357)	(193,400)
23	State deferred income taxes	(8,375)	(8,335)	(8,328)	(8,322)	(11,096)	(10,427)	(10,398)	(10,381)	(10,358)	(10,344)	(10,342)	(26,037)	(132,743)

Otter Tail Power Company
Minnesota Transmission Rider - Revenue Requirements
Sheyenne – Audubon 230 kV Line Upgrade
Docket No. E017/M-13-

Line No.	SUPPORTING INFORMATION / DATA												
1													
2	MN Cap Structure with allowed ROE per order.												
3	Capital Structure	Ratio		Cost		WA Cost		Property tax					
4	Debt	48.28%		6.33%		3.06%		2013 composite rate					1.92%
5	Preferred equity	0.00%		0.00%		0.00%							
6	Common equity	51.72%		10.74%		5.55%							
7	Total	100.00%				8.61%		Overall Return					
8													
9		Book		Tax									
10	Project life (years)	50		15-year MACRS									
11													
12				Fed Portion		State Portion							
13	Statutory Tax Rate	41.37%		31.57%		9.80%							
14	Tax conversion factor	1.70561											
15	Wholesale Revenue Credit	21.60%		From Attachment 11									
16	MN share - D2 factor	47.890%											
17													
18	Deferred Tax												
19	Book depreciation	0	0	0	0	0	0	0	0	0	0	0	0
20	Tax depreciation-Federal	0	0	0	0	0	0	0	0	0	0	675,212	675,212
21	Tax depreciation-MN	0	0	0	0	0	0	0	0	0	0	160,765	160,765
22	Federal deferred income taxes	0	0	0	0	0	0	0	0	0	0	(213,164)	(213,164)
23	State deferred income taxes	0	0	0	0	0	0	0	0	0	0	(15,755)	(15,755)

2013 Attachment O Filing

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 33,929,200
	REVENUE CREDITS	(Note T)	Total	Allocator
2	Account No. 454	(page 4, line 34)	87,404	TP 1.00000 87,404
3	Account No. 456.1	(page 4, line 37)	7,241,000	TP 1.00000 7,241,000
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000 0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000 0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			7,328,404
7			Wholesale Revenue Credit	21.60%

2012 Attachment O Filing

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 34,070,426
	REVENUE CREDITS	(Note T)	Total	Allocator
2	Account No. 454	(page 4, line 34)	98,667	TP 1.00000 98,667
3	Account No. 456.1	(page 4, line 37)	7,204,688	TP 1.00000 7,204,688
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000 0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000 0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			7,303,355
7			Wholesale Revenue Credit	21.44%

		2012												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	YE Actual
1	MISO Schedule 26 Expense	253,832	592,339	532,591	495,578	390,637	410,469	473,407	546,817	512,536	421,054	508,724	520,322	5,658,307
2	OTP owned portion of expenses 0.003%	0	(18)	(16)	(15)	(12)	(12)	(14)	(16)	(15)	(13)	(15)	(16)	(162)
3	MISO Schedule 26 Expense Recoverable	253,832	592,322	532,575	495,564	390,626	410,457	473,392	546,800	512,521	421,042	508,709	520,306	5,658,145
4														
5	Minnesota share 47.89%	121,560	283,663	255,050	237,325	187,071	196,568	226,708	261,863	245,446	201,637	243,621	249,175	2,709,686
6														
7	MISO Schedule 26A Expense	0	10,348	7,713	8,964	9,391	7,237	7,420	5,663	6,437	6,478	6,877	8,963	85,491
8	OTP owned portion of expenses 1.134%	0	(117)	(87)	(102)	(106)	(82)	(84)	(64)	(73)	(73)	(78)	(102)	(969)
9	MISO Schedule 26A Expense Recoverable	0	10,231	7,625	8,862	9,285	7,155	7,336	5,598	6,364	6,404	6,799	8,861	84,521
10														
11	Minnesota share 47.89%	0	4,899	3,652	4,244	4,446	3,427	3,513	2,681	3,048	3,067	3,256	4,244	40,477

		2013												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Actual	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	MISO Schedule 26 Expense	600,575	638,040	638,040	638,040	638,040	638,040	638,040	638,040	638,040	638,040	638,040	638,040	7,619,015
2	OTP owned portion of expenses 0.036%	(18)	(230)	(230)	(230)	(230)	(230)	(230)	(230)	(230)	(230)	(230)	(230)	(2,545)
3	MISO Schedule 26 Expense Recoverable	600,557	637,810	637,810	637,810	637,810	637,810	637,810	637,810	637,810	637,810	637,810	637,810	7,616,470
4														
5	Minnesota share 47.89%	287,607	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,447	305,447	3,647,528
6														
7	MISO Schedule 26A Expense	11,433	64,015	60,839	53,168	48,835	43,555	43,806	46,703	46,173	47,268	54,852	61,015	581,662
8	OTP owned portion of expenses 0.581%	(130)	(372)	(353)	(309)	(284)	(253)	(255)	(271)	(268)	(275)	(319)	(354)	(3,443)
9	MISO Schedule 26A Expense Recoverable	11,303	63,643	60,486	52,859	48,551	43,302	43,551	46,432	45,905	46,993	54,533	60,661	578,219
10														
11	Minnesota share 47.89%	5,413	30,479	28,967	25,314	23,251	20,737	20,857	22,236	21,984	22,505	26,116	29,050	276,909

		2014												
Line No.	SCHEDULE 26 & SCHEDULE 26A	January Projected	February Projected	March Projected	April Projected	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	YE Projected
1	MISO Schedule 26 Expense	638,040	879,171	879,171	879,171	879,171	879,171	879,171	879,171	879,171	879,171	879,171	879,171	10,308,921
2	OTP owned portion of expenses 0.035%	(230)	(308)	(308)	(308)	(308)	(308)	(308)	(308)	(308)	(308)	(308)	(308)	(3,615)
3	MISO Schedule 26 Expense Recoverable	637,811	878,863	878,863	878,863	878,863	878,863	878,863	878,863	878,863	878,863	878,863	878,863	10,305,307
4														
5	Minnesota share 47.89%	305,448	420,888	420,888	420,888	420,888	420,888	420,888	420,888	420,888	420,888	420,888	420,888	4,935,212
6														
7	MISO Schedule 26A Expense	145,687	138,498	122,898	112,644	101,896	101,870	104,626	104,819	103,146	107,562	124,031	137,258	1,404,935
8	OTP owned portion of expenses 0.479%	(846)	(663)	(589)	(540)	(488)	(488)	(501)	(502)	(494)	(515)	(594)	(657)	(6,878)
9	MISO Schedule 26A Expense Recoverable	144,841	137,835	122,309	112,104	101,408	101,382	104,125	104,317	102,652	107,047	123,437	136,601	1,398,057
10														
11	Minnesota share 47.89%	69,364	66,009	58,574	53,687	48,564	48,552	49,865	49,957	49,160	51,265	59,114	65,418	669,529

ATTACHMENT 15



Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	31-510
Controlled Service	31-511
Lighting	31-512
All Other Service	31-513

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

AVAILABILITY: This rider is available to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s standard rate schedules.

RATE:

TRANSMISSION COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	N/A ¢/kWh	\$0. 391 <u>462</u>
Controlled Service (b)	0.049 <u>022</u> ¢/kWh	N/A
Lighting (c)	0.085 <u>091</u> ¢/kWh	N/A
All Other Service	0.126 <u>3138</u> ¢/kWh	N/A

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service
 (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting

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Fergus Falls, Minnesota

TRANSMISSION COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Large General Service	31-510
Controlled Service	31-511
Lighting	31-512
All Other Service	31-513

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

AVAILABILITY: This rider is available to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY FACTOR: There shall be included on each Minnesota Customer’s monthly bill a Transmission Cost Recovery charge, which shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s standard rate schedules.

RATE:

TRANSMISSION COST RECOVERY		
Energy Charge per kWh:	kWh	kW
Large General Service (a)	N/A ¢/kWh	\$0.462
Controlled Service (b)	0.022 ¢/kWh	N/A
Lighting (c)	0.091 ¢/kWh	N/A
All Other Service	0.138 ¢/kWh	N/A

(a) Rate schedules 10.04 Large General Service, 10.05 Large General Service – Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load, and 14.07 Fixed Time of Service
 (c) Rate Schedules 11.03 Outdoor Lighting (Energy only) and 11.04 Outdoor Lighting

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Notice to Otter Tail Power Company Customers

Otter Tail Power Company incurs costs for regional transmission facilities that are necessary for reliable and economic service to our Minnesota customers. The Minnesota Public Utilities Commission has approved an adjustment to the Transmission charge that is part of the Resource Adjustment on your monthly electric service statement beginning May 1, 2013 to recover the cost of these transmission upgrades and expansions.

The current Transmission charge is:

Class	¢ / kWh	\$ / kW
Large General Service	N/A	\$0.462
Controlled Service	0.022¢	N/A
Lighting	0.091¢	N/A
All other service	0.138¢	N/A

For more information contact Customer Service at 800-257-4044 or place an inquiry from our web site at www.otpc.com.

CERTIFICATE OF SERVICE

**Re: In the Matter of the Petition of Otter Tail Power Company for Approval of a
Transmission Cost Recovery Rider Annual Adjustment
Docket No. E017/M-13-___**

I, Diane Merz, hereby certify that I have this day served a copy of the following, or a summary thereof, on Dr. Burl W. Haar and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class mail.

**Otter Tail Power Company
Petition**

Dated this **7th** day of **February 2013**.

/s/ Diane Merz _____

Diane Merz
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8699

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Michael	Bradley	bradley@moss- barnett.com	Moss & Barnett	4800 Wells Fargo Ctr 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Paper Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST
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Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	GEN_SL_Otter Tail Power Company_GENERAL SERVICE LIST