

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpc.com (web site)



April 30, 2014

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

Re: **Amended Compliance Filing
In the Matter of Otter Tail Power Company's Request for Approval of its
Transmission Cost Recovery Rider Annual Adjustment Factor
MPUC Docket No. E017/M-13-103**

Dear Dr. Haar:

Otter Tail Power Company ("Otter Tail") respectfully submits this Amended Compliance Filing in response to Comments submitted by the Department of Commerce ("DOC") on April 18, 2014 regarding Otter Tail's Compliance Filing made April 9, 2014 to the above-referenced docket.

In Otter Tail's April 9, 2014 Compliance filing ("Compliance Filing") in this TCR Rider Docket No. E017/M-13-103 ("13-103"), Otter Tail modified the TCR Rider schedules to reflect the changes requested by the Minnesota Public Utilities Commission ("Commission") as outlined in the Order issued by the Commission on March 10, 2014. In addition, because Otter Tail was not requesting rates to be updated following acceptance of the Compliance filing, Otter Tail updated the forecast information included in the initial filing in this Docket, with available actual information up to February 2014. This was done to provide transparency to the Commission of updated investment, expense and revenue information applicable to the projects currently included in the TCR Rider. Otter Tail noted in the Compliance Filing that it intends to make another Annual Update filing by the end of April. It is Otter Tail's belief and understanding that the updates Otter Tail made in the Compliance Filing would be subject to review in the next annual filing where Otter Tail would seek new rates to be implemented.

The DOC filed comments on April 18, 2014 stating that it was not appropriate for Otter Tail to update those costs in the Compliance Filing, and recommended that the Compliance Filing be rejected.

In follow-up conversations with DOC staff, the DOC confirmed that they would like to see the changes Ordered by the Commission in this Docket, applied to the schedules submitted in the initial filing since no supplemental filings were made by Otter Tail to update the schedules prior to the Commission ruling in this Docket. Otter Tail understands the DOC's perspective and as such, is making this Amended Compliance Filing to update the TCR Rider schedules and computations as initially filed, to reflect the changes as Ordered by the Commission in this Docket. Otter Tail understands that by applying the changes in this manner it allows for a clearer representation of the impact that the PUC's Order had on Otter Tail's revenue requirement for the proposed recovery period. Details within this Amended Compliance Filing will show that the Order reduced the total revenue requirement proposed in the Initial Filing from \$2,268,907 to \$2,066,007.

As with the April 9, 2014 Compliance Filing, no adjustments to current rates are being proposed for implementation with this Amended Compliance filing. The impacts of the changes from the Order are reflected as reduced capital investment (and associated revenue requirements) in the Rider for those projects affected by this Order, beginning March 2014. As stated earlier, Otter Tail plans to file its next annual update to the TCR Rider by the end of April 2014 for a proposed July 2014 to June 2015 recovery period.

I. Description of Compliance

The following section explains Otter Tail's compliance to each ordering paragraph from the Commission's Order in this Docket on March 10, 2014.

Ordering Paragraph Number 1 – Commission finds that the Sheyenne-Audubon Project is no longer needed.

The Sheyenne-Audubon Project was one of three new projects originally approved for inclusion in the TCR in Otter Tail's TCR Eligibility Filing, Docket No. E017-M-12-51, and was included in the original Petition in this Docket. After the original Petition in this Docket was filed, a determination was made that this project was no longer needed. In compliance with Ordering Paragraph Number 1, all costs associated with this project have been removed from the TCR tracker and associated revenue requirement calculations.

Ordering Paragraph Number 2 – Otter Tail Power shall identify MISO Schedule 37 and 38 revenues as such in future filings.

The Midcontinent Independent System Operator ("MISO") periodically publishes forecasted Schedule 26 Revenues and Schedule 26A Revenues. Embedded in those forecasts provided by MISO are the obligations of American Transmission Systems Inc. ("ATSI") and Duke-Ohio ("DEO"). MISO does not create a separate forecast of the obligations of ATSI or DEO. When actual Schedule 26 Revenues and Schedule 26A Revenues are determined by MISO, the portion of those actual revenues due Otter Tail from ATSI and DEO are determined and provided to Otter Tail by MISO and identified as Schedule 37 Revenue (ATSI) and Schedule 38 Revenue (DEO).

In this compliance filing, Otter Tail has carved out a portion of the MISO Schedule 26 forecast revenue and identified that revenue as Schedule 37 or Schedule 38 Revenue. Attachment 12, page 1 of 2, Lines 13 and 14 reflect actual Schedule 37 and Schedule 38 Revenues received by Otter Tail through January 2013. Beginning February 2013, Line 1 shows the total MISO forecast for Schedule 26 Revenues. Embedded in these MISO forecasts, are estimated revenues for ATSI and DEO. Line 2 reflects a revised Schedule 26 Revenue forecast, carving

out an estimated amount of revenue associated with ATSI and DEO, and reflecting that forecast revenue on Lines 13 and 14 in the corresponding Schedule 37 and Schedule 38 section. The totals of Lines 2, 13 and 14 equal the total MISO forecast reflected on Line 1. This method of MISO Schedule 37 and Schedule 38 Revenue is used going forward and is depicted on page 2 of Attachment 12 in the calendar year 2014.

Ordering Paragraph Number 3 - Projects being recovered in the TCR rider are subject to a cost cap. The Cost cap for the Bemidji project is \$74 million.

Ordering Paragraph Number 3 requires that the cost of the CAPX2020 Bemidji Project (“Bemidji Project”) for purposes of TCR rider recovery be capped at \$74 million (Total project cost). Otter Tail’s investment in the Bemidji Project is 20 percent. Therefore, Otter Tail’s capped investment amount is \$14.8 million (“Cap”). Otter Tail’s total investment in the Bemidji Project is the total of the project costs reflected in Attachment 6 (Bemidji-Grand Rapids) and Attachment 7 (Cass Lake – Bemidji). Otter Tail’s total projected cost for the Bemidji Project through February 2014 was \$22,676,763. To reach the Cap under Ordering Paragraph Number 3, \$7,876,763 of cost has been removed from the project. Minnesota’s share of these reductions is 47.89%.

The reduction of costs to reach the Cap is reflected in the March 2014 balances in Attachments 6 and 7. Otter Tail Attachment 4a provides a reconciliation of the Bemidji Project balances before and after costs were removed to reach the Cap amount required by Ordering Paragraph Number 3. The following provides further explanation of Attachment 4a:

1. Lines 1-3 show the balances as of February and March 2014 for the two projects which collectively make up the Bemidji Project, and upon which the Cap applies (System basis).
2. Lines 5-7 show the computation of the Otter Tail Cap (System basis)
3. Lines 12 - 15 show the costs removed from each of the Bemidji and Cass Lake projects. Line 15 reflects the balance of each project after the cost reductions. The total balance at the Cap (\$14.8 million) is reflected in Column C of Line 15. Note that a portion of the costs removed to reach the Cap amount were internal costs, as reflected on line 13. The remaining internal costs were removed below the Cap amount. Further detail on Otter Tail’s methodology to remove all internal costs is provided in the discussion below on Ordering Paragraph Number 4.

Ordering Paragraph Number 4 - Otter Tail shall remove the capitalized internal costs of approximately \$1.76 million from the TCR Rider.

The table below reflects the internal costs (System and MN Share) that were included in data request Item Number MN-DOC-003. These amounts have been removed from the TCR Rider beginning March 2014.

Project	Total Internal Capitalized Costs (System Total)	MN Share of Internal Capitalized Costs (47.89%)
CAPX 2020 Fargo	\$ 391,592	\$ 187,533
CAPX 2020 Bemidji	\$ 3,114,611	\$ 1,491,587
CAPX 2020 Brookings	\$ 175,119	\$ 83,864
Ramsey 230/115 kW Transformer Upgrade	\$ -	\$ -
Total	\$ 3,681,322	\$ 1,762,985

The following provides further details on the removal of internal costs from the projects listed in the table above:

Bemidji Project

Attachment 4a provides detail on the removal of Internal Costs from the Bemidji Project. Internal costs removed for the Bemidji Project were \$3,114,611 (OTP System Basis). Per Ordering Paragraph Number 3, costs were capped on the Bemidji Project. Internal costs are assumed to have been incurred equally throughout the Bemidji Project. Ordering Paragraph Number 3 required 34.735% (\$14.8 million/\$22,676,763) of total Otter Tail costs to be removed from the TCR Rider. Otter Tail has assumed that 34.735% of internal costs were included as part of the reduction in costs to reach the Cap. Line 13 Column C of Attachment 4a shows \$1,081,859 of internal costs as part of the cost reductions made to reach the Cap.

The removal of the remaining \$2,032,752 of internal costs is reflected on Line 16 Column C of Attachment 4a. The total plant in service balance for the Bemidji and Cass Lake projects as of March 2014 is \$12,767,248 as reflected on Line 17 Column C of Attachment 4a. Balances for March 2014 on Line 1 of page 5 of 6 in Attachments 6 and 7 reflect the totals identified on Line 17, Columns A and B of Attachment 4a. Minnesota's share of these amounts is 47.89%.

This two part reduction in response to Order Paragraph Number 3 and Order Paragraph Number 4 effectively removes 100% of internal costs incurred by Otter Tail for the Bemidji Project.

Fargo-Monticello Project

Attachment 4b provides a reconciliation of the Fargo-Monticello project Plant in Service balances from February 2014 to March 2014 found in Attachment 5. Project balances include both Plant in Service and CWIP amounts. Lines 7-10 provide the details of the change in balances from February 2014 to March 2014. Line 8 of Attachment 4b reflects the \$391,592 (OTP System Basis) of internal costs which were removed and accounted for in the reconciliation.

Brookings – Hampton Project

Attachment 4c provides a reconciliation of the Brookings – Hampton project Plant in Service balances from February 2014 to March 2014 found in Attachment 8, similar to the reconciliation provided on the Fargo-Monticello Project in Attachment 4b. Line 8 of Attachment 4c reflects the \$175,119 (OTP System Basis) of internal costs which were removed.

Ordering Paragraph Number 5 – Otter Tail shall include all Schedule 26 costs and all Schedule 26 revenues in the Transmission Cost Recovery Rider.

Otter Tail has included in the Rider calculations all MISO Schedule 26 Expenses and Schedule 26 Revenues (Minnesota share) received for the Fargo-Monticello, Bemidji-Grand Rapids, and Brookings-Hampton CAPX2020 projects. Otter Tail credits the revenues against the Minnesota revenue requirements that are determined, in part, by the amount of investment in those projects that are included in the TCR Rider. In this Docket, Otter Tail advocated that a portion of the Schedule 26 Revenues Otter Tail credited in the Rider should be reduced if a portion of Otter Tail's investment in those projects (Internal Costs and/or Costs over CON) would be denied recovery in the TCR Rider. The Commission did limit recovery of costs through Ordering Paragraph Numbers 3 and 4, as previously described. However, the Commission Ordered Otter Tail to continue to credit all Scheduled 26 Revenues associated with these projects in the Rider. Otter Tail will continue to apply all Schedule 26 Revenues for the Fargo, Bemidji and Brookings projects in the Rider as Ordered by the Commission.

Ordering Paragraph Number 6 - Otter Tail Shall not add a carrying charge to the tracker balance for the TCR Rider and the Renewable Resource Cost Recovery Rider effective with the date of this Order.

Per Ordering Paragraph Number 6, beginning March of 2014, the carrying charge has been removed (reduced to zero) in the TCR Rider tracker, as reflected on Attachment 4, page 3 of 3, line 25.

Effective May 1, 2013, Otter Tail's Renewable Resource Cost Recovery Rider tariff was reduced to \$0.00 as recovery of prior project costs were completed at that time. No carrying charge is being assessed on the remaining balance of the tracker as Ordered in Docket E-017/M-12-708. Should Otter Tail petition the Commission to include any new renewable projects in the Renewable Rider at some future point in time, no carrying charge will be included in the Renewable Rider.

II. Impact of Changes on Recovery Period Revenue Requirement.

Based on the changes outlined above, the updated Revenue Requirement for the May 2013 to April 2014 recovery period is \$2,066,007 as reflected in Attachment 2 and Attachment 4 of this Compliance filing. The revenue requirement computed in Otter Tail's original filing in this Docket for the same recovery period was \$2,268,907. The following table compares the current revenue requirement with the original revenue requirement submitted in the initial filing:

Summary of Revenue Requirements

Line No.	Revenue Requirements	Original	Current	Change
		May 1, 2013 - April 30, 2014	May 1, 2013 - April 30, 2014	
1	CAPX 2020 Fargo	\$3,225,858	\$3,219,597	(\$6,261)
2	CAPX 2020 Bemidji	\$1,040,139	\$906,511	(\$133,628)
3	CAPX 2020 Cass Lake - Bemidji	\$463,263	\$436,841	(\$26,422)
4	CAPX 2020 Brookings	\$1,045,507	\$1,042,818	(\$2,689)
5	Ramsey 230/115 kW Transformer Upgrade	\$28,251	\$28,251	\$0
6	Sheyenne – Audubon 230 kV Line Upgrade	\$41,800	\$0	(\$41,800)
7				
8	Schedule 26 Expense	4,011,689	4,011,689	0
9	Schedule 26A Expense	434,371	434,371	(0)
10				
11	Schedule 26 Revenue	(6,497,711)	(6,290,142)	207,569
12	Schedule 37 & 38 Revenue	0	(207,569)	(207,569)
13	Schedule 26A Revenue	(1,118,623)	(1,118,623)	0
14				
15	Carrying Cost	(26,920)	0	26,920
16	Tracker Balance on April 30, 2013 (over-recovery)/under-recovery	(378,716)	(397,735)	(19,019)
17				
18	Total	\$2,268,907	\$2,066,007	(\$202,900)

As expected, the elimination of internal costs and capping the Bemidji Project as of March 2014, and removing the Sheyenne-Audubon Project from the TCR rider lowered the associated revenue requirements on those projects as noted in lines 1-6 above. The reallocation of Schedule 26 Revenues to Schedule 37 and Schedule 38 Revenues had a net impact of \$0 on the Revenue Requirement. The Carrying Charge credit of (\$26,920) on line 15 was removed as of March 2014, slightly increasing the revenue requirement. The over-recovery Tracker Balance on April 30, 2013 (Line 16 above) increased (\$19,019) due to the elimination of the Sheyenne – Audubon 230 kV Line Upgrade.

III. Impact on Rates

The Order in this Docket did not contemplate an effective date for any potential rate change resulting from the impact of the Order. The recovery period for rates originally proposed in the Petition in this Docket would have ended April 30, 2014. As noted earlier, Otter Tail intends to file an update to the TCR by the end of April 2014, with a proposed recovery period in that filing of July 2014 to June 2015. Rather than implement updated rates at this time, Otter Tail proposes that the rates currently in effect remain in effect until approval of the next Annual TCR Rider update. For comparison purposes, the table below depicts the existing rates currently in place, the rates proposed in the initial filing, and the revised rates reflecting the changes imposed by the Order in this docket that would be implemented if OTP were seeking implementation in this compliance filing.

Rate Impact				
		Existing Rates - Implemented April 1, 2012	Proposed Rates - Initial Filing	Revised Rates - Following Order - (Not to be implemented)
Large General Service	\$ / kW	0.391	0.462	0.421
Controlled Service	¢ / kWh	0.019	0.022	0.020
Lighting	¢ / kWh	0.085	0.091	0.083
All Other Service	¢ / kWh	0.126	0.138	0.125

Proposed rates from the next TCR Rider update (to be filed by the end of April 2014) will reflect updated actual and forecast information up to and through the new proposed recovery period, along with an anticipated under-recovered tracker balance that will exist as of the beginning of the next recovery period.

IV. Conclusion

Pursuant to Minnesota Stat. § 216.17, Subd. 3, we have electronically filed this document with the Commission, and copies have been served on the parties on the attached service list.

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

Sincerely,

/s/ Stuart Tommerdahl
 Stuart Tommerdahl
 Manager, Regulatory Administration

jce
 Enclosures
 By electronic filing
 c: Service List

Otter Tail Power Company
Transmission Cost Recovery Rider
Amended Compliance Filing Attachments
Docket No. E017/M-13-103

Attachment 1	Projection of Revenue (rate implementation not requested)
Attachment 2	Summary of Revenue Requirements
Attachment 3	Class Allocation and Rate Design (rate implementation not requested)
Attachment 4	Transmission Tracker Account
Attachment 4A	Reconciliation of Internal Costs and CAP Removal - Bemidji
Attachment 4B	Reconciliation of Internal Costs Removal - Fargo
Attachment 4C	Reconciliation of Internal Costs Removal - Brookings
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	Wholesale Credit Calculation
Attachment 11	MISO Schedule 26 and Schedule 26A Expenses
Attachment 12	MISO Schedule 26, 37, and 38 Revenues
Attachment 13	MISO Schedule 26A Revenues

Projected Revenue for May 1, 2013 - April 30, 2014
 Rates Implementation Not Requested

Line No.	Class		Units	Rate per Unit	Amount
1	Large General Service	(a)	2,245,045 kW	\$0.421	\$945,024
2					
3	Controlled Service	(b)	183,174,773 kWh	0.020¢	\$36,767
4					
5	Lighting	(c)	20,151,236 kWh	0.083¢	\$16,637
6					
7	All other service		851,382,557 kWh	0.125¢	\$1,067,579
8					
9	Total revenue				<u>\$2,066,007</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	Current
		May 1, 2013 - April 30, 2014
1	CAPX 2020 Fargo	\$3,219,597
2	CAPX 2020 Bemidji	\$906,511
3	CAPX 2020 Cass Lake - Bemidji	\$436,841
4	CAPX 2020 Brookings	\$1,042,818
5	Ramsey 230/115 kW Transformer Upgrade	\$28,251
6	Sheyenne – Audubon 230 kV Line Upgrade	\$0
7		
8	Schedule 26 Expense	4,011,689
9	Schedule 26A Expense	434,371
10		
11	Schedule 26 Revenue	(6,290,142)
12	Schedule 37 & 38 Revenue	(207,569)
13	Schedule 26A Revenue	(1,118,623)
14		
15	Carrying Cost	0
16	Tracker Balance on April 30, 2013 (over-recovery)/under-recovery	(397,735)
17		
18	Total	\$2,066,007

Class Allocation and Current Rate Design
Rates Implementation Not Requested

Line No.			2010	2011-2012	2013
1	Total Minnesota Revenue Requirements		\$919,290	\$2,506,562	\$2,066,007 *
2	Large General Service	45.74%	\$452,842	\$1,146,541	\$945,024
3	Controlled Service	1.78%	10,940	44,607	36,767
4	Lighting	0.81%	4,688	20,184	16,637
5	All Other Service	51.67%	450,820	1,295,229	1,067,579
6	Total		\$919,290	\$2,506,562	\$2,066,007
7	Large General Service	kW	2,062,637	2,930,925	2,245,045
8	Controlled Service	kWh	165,549,000	236,444,901	183,174,773
9	Lighting	kWh	18,404,000	23,788,818	20,151,236
10	All Other Service	kWh	787,990,000	1,027,316,179	851,382,557
11	Large General Service	\$ / kW	0.035	0.391	0.421
12	Controlled Service	cents / kWh	0.007	0.019	0.020
13	Lighting	cents / kWh	0.025	0.085	0.083
14	All Other Service	cents / kWh	0.057	0.126	0.125

* 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						\$2,066,007
17	Percent of revenue rate for MN TCRR						1.31155%
	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 Current Rate Design (2)
18	Large General Service	525	\$11,508	\$150.94	356		\$149.85
19	Controlled Service	16,669	\$44	\$0.58		916	\$0.18
20	Lighting	2,619	\$86	\$1.13		641	\$0.53
21	All Other Service	58,586	\$104	\$1.37		1,211	\$1.52
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	
1	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	
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	
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	
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	
5	Ramsey 230/115 kW Transformer Upgrade	718	718	718	718	718	718	718	718	718	718	718	718	
6	Sheyenne – Audubon 230 kV Line Upgrade													
7	Total Revenue Requirements	232,588	232,588	232,588	232,795	234,551	234,551	234,551	234,551	247,803	251,429	251,429	249,192	
8														
9	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	
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	
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	
13														
14	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)	
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)	
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)	
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)	
19														
20	Net Revenue Requirement	217,072	152,128	164,739	129,443	121,952	61,342	16,688	(288)	34,869	46,905	168,995	163,384	
21														
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	
23														
24	Difference	127,208	61,132	80,898	(20,240)	(20,958)	(91,690)	(152,884)	(174,987)	(131,939)	(109,689)	1,797	(9,640)	
25	Carrying Charge	(180)	732	1,176	1,765	1,632	1,493	846	(245)	(1,502)	(2,460)	(3,265)	(3,275)	
26	Life-to-Date Revenue Requirement (Cumulative Difference)	101,962	163,826	245,899	227,424	208,098	117,901	(34,137)	(209,368)	(342,809)	(454,959)	(456,426)	(469,341)	
27														
28	Carrying Charge Calculation	732	1,176	1,765	1,632	1,493	846	(245)	(1,502)	(2,460)	(3,265)	(3,275)	(3,368)	
29	Cumulative Carrying Charge	49,461	50,637	52,401	54,033	55,526	56,372	56,127	54,625	52,165	48,900	45,625	42,257	
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)													

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				
7	Total Revenue Requirements	414,036	414,036	415,054	415,065
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)	(481,991)	(481,991)	(481,991)
16	MISO Schedule 37 & 38 Revenue	(9,924)	(15,905)	(15,905)	(15,905)
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	347,412	175,277	174,782	171,141
21					
22	Billed (forecast kWh x adj factor)	193,495	213,482	194,763	184,292
23					
24	Difference	153,918	(38,206)	(19,981)	(13,151)
25	Carrying Charge	(3,368)	(2,288)	(2,578)	(2,740)
26	Life-to-Date Revenue Requirement (Cumulative Difference)	(318,791)	(359,285)	(381,844)	(397,735)
27					
28	Carrying Charge Calculation	(2,288)	(2,578)	(2,740)	(2,854)
29	Cumulative Carrying Charge	39,970	37,392	34,652	31,798
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	365,658	366,188	366,666	366,714	3,219,597
2	CAPX 2020 Bemidji	87,649	87,671	87,662	87,645	87,647	87,650	87,652	87,652	53,118	53,118	53,118	45,929	906,511
3	CAPX 2020 Cass Lake - Bemidji	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	31,044	31,044	31,044	29,955	436,841
4	CAPX 2020 Brookings	66,646	66,646	66,646	66,646	71,032	71,053	71,041	71,077	122,795	123,022	123,079	123,135	1,042,818
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													
7	Total Revenue Requirements	414,956	414,978	414,968	415,303	419,691	419,714	419,705	419,741	574,948	575,706	576,240	568,066	5,634,017
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	(481,991)	(481,991)	(481,991)	(481,991)	(481,991)	(481,991)	(481,991)	(481,991)	(481,991)	(650,740)	(650,740)	(650,740)	(6,290,142)
16	MISO Schedule 37 & 38 Revenue	(15,905)	(15,905)	(15,905)	(15,905)	(15,905)	(15,905)	(15,905)	(15,905)	(15,905)	(21,474)	(21,474)	(21,474)	(207,569)
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	168,969	166,477	166,587	168,301	172,437	172,981	176,583	179,553	375,075	247,881	240,980	227,920	2,463,742
21														
22	Billed (forecast kWh x adj factor)	147,238	142,966	151,924	158,143	154,903	149,017	166,363	184,392	215,495	213,990	197,560	184,015	
23														
24	Difference	21,730	23,511	14,662	10,157	17,534	23,964	10,219	(4,839)	159,580	33,891	43,421	43,905	397,735
25	Carrying Charge	(2,854)	(2,719)	(2,569)	(2,483)	(2,428)	(2,319)	(2,164)	(2,106)	(2,156)	(1,026)	0	0	
26	Life-to-Date Revenue Requirement (Cumulative Difference)	(378,859)	(358,067)	(345,974)	(338,299)	(323,193)	(301,548)	(293,492)	(300,437)	(143,013)	(110,148)	(66,728)	(22,823)	
27														
28	Carrying Charge Calculation	(2,719)	(2,569)	(2,483)	(2,428)	(2,319)	(2,164)	(2,106)	(2,156)	(1,026)	(790)	(479)	(164)	
29	Cumulative Carrying Charge	29,079	26,510	24,027	21,600	19,280	17,117	15,011	12,855	11,829	11,038	10,559	10,396	
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	\$2,463,742
Carrying Charge	0
2012-2013 True-up	(397,735)
Total requirements	\$2,066,007
May 2013-April 2014 projected sales in mWh	2,321,516
Average Rate	\$0.00089

**CAPX2020 Bemidji Project (Bemidji-Grand Rapids & Cass Lake-Bemidji Projects)
Reconciliation of Internal Cost Removal and CAP at CON
Compliance with Ordering Paragraph 3 & 4
(System Basis)
Docket No. E017/M-13-103**

		A	B	C
		Feb-14	Mar-14	
1	Bemidji-Grand Rapids - Plant-in-Service/CWIP	(Attachment 6, Line 1+Line 4)	\$ 15,597,266	\$ 7,340,161
2	Cass Lake-Bemidji - Plant-in-Service	(Attachment 7 Line 1)	\$ 7,079,497	\$ 5,427,087
3	Total Bemidji Project - OTP	Line 1 + Line 2	\$ 22,676,763	\$ 12,767,248
4				
5	Bemidji CAP at CON	Order Point 3	\$ 74,000,000	
6	OTP Investment %		20%	
7	Bemidji CAP - OTP	Line 5 X Line 6	\$ 14,800,000	
8	CAP as % of Total OTP Cost	Line 7 / Line 3	65.265%	
9				
10				
11				
12	OTP Total Cost (Plant in Service + CWIP)	February 2014 Balance	\$ 15,597,266	\$ 7,079,497
13	Less: Internal Costs Removed 34.735%	Line 24 Below	\$ (507,895)	\$ (573,964)
14	Less: Additional Costs Removed to reach CAP		\$ (6,794,904)	\$ (6,794,904)
15	Total (CAP)	Line 12 - Line 13 - Line 14	\$ 8,294,467	\$ 6,505,533
16	Less: Internal Costs Removed 65.265%	Line 25 Below	\$ (954,306)	\$ (1,078,446)
17	Total	March 2014 Balance	\$ 7,340,161	\$ 5,427,087
18				
19				
20				
21				
22	Total Internal Costs on Bemidji Project (Bemidji & Cass Lake)		\$ 1,462,201	\$ 1,652,410
23				
24	Internal Costs removed as part of reduction to CAP	34.735%	\$ 507,895	\$ 573,964
25	Internal Costs removed below CAP	65.265%	\$ 954,306	\$ 1,078,446
26	Total Internal Costs Removed (System Basis)		\$ 1,462,201	\$ 1,652,410
27				
28	MN Share (D2 Factor)	47.89%	\$ 700,248	\$ 791,339
29				
30				
31				
32				
33				

**CAPX2020 Fargo Project
Reconciliation of Internal Cost Removal
Compliance with Ordering Paragraph 4
(System Basis)
Docket No. E017/M-13-103**

		Plant Balance & CWIP		
		A	B	C
		Feb-14	Mar-14	Difference
Reference/Source				
1	Fargo - Plant-in-Service/CWIP	\$ 60,741,768	\$ 62,716,301	\$ 1,974,533
2				
3	Total Fargo Project - OTP	\$ 60,741,768	\$ 62,716,301	\$ 1,974,533
4				
5				
6			Attachment 5 February '14 to March '14 Impact	
7	OTP Total Cost (Plant in Service + CWIP)	\$ 60,741,768		
8	Less: Internal Costs Removed	\$ (391,592)		
9	Plus: Additional CWIP	\$ 2,366,125		
10	Total	\$ 62,716,301		
11				
12	Total	<u>\$ 62,716,301</u>	s/b equal to B:3	-
13				
14				
15				
16			Total	
17	Total Internal Costs on Fargo Projects	\$ (391,592)		
18				
19	Additional Project CWIP in March 2014	\$ 2,366,125		
20				
21	Net of Internal Costs Removed and additional CWIP	<u>\$ 1,974,533</u>	s/b equal to C:3	
22				

**CAPX2020 Brookings Project
Reconciliation of Internal Cost Removal
Compliance with Ordering Paragraph 4
(System Basis)
Docket No. E017/M-13-103**

		Plant Balance & CWIP		
		A	B	C
		Feb-14	Mar-14	Difference
1	Brookings - Plant-in-Service/CWIP	\$ 19,695,621	\$ 20,657,590	\$ 961,969
2				\$ -
3	Total Brookings Project - OTP	<u>\$ 19,695,621</u>	<u>\$ 20,657,590</u>	<u>\$ 961,969</u>
4				
5				
6				
		Attachment 8		
		February '14 to		
		March '14 Impact		
7	OTP Total Cost (Plant in Service + CWIP)	\$ 19,695,621		
8	Less: Internal Costs Removed	\$ (175,119)		
9	Plus: Additional CWIP	\$ 1,137,088		
10	Total	<u>\$ 20,657,590</u>		
11		\$ -		
12	Total	<u>\$ 20,657,590</u>	s/b equal to B:3	-
13				
14				
15				
16				
		Total		
17	Total Internal Costs on Brookings Projects	\$ (175,119)		
18				
19	Additional Project CWIP in March 2014	\$ 1,137,088		
20				
21	Net of Internal Costs Removed and additional CWIP	<u>\$ 961,969</u>	s/b equal to C:3	

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														
3	Capital Structure	<u>Ratio</u>			<u>Cost</u>			<u>WA Cost</u>			<u>Property tax</u>			
4	Debt	48.28%			6.33%			3.06%			2012 composite rate			
5	Preferred equity	0.00%			0.00%			0.00%			1.92%			
6	Common equity	51.72%			10.74%			5.55%						
7	Total	100.00%						8.61%			Overall Return			
8														
9														
10	Project life (years)	<u>Book</u>			<u>Tax</u>									
11		50			15-year MACRS									
12														
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	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)	<u>Book</u>	<u>Tax</u>										
11		50	15-year MACRS										
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	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	36,339,684	36,671,040	37,010,730	37,265,942	37,298,479	37,318,503	37,338,527	37,357,480	37,357,480	37,357,480	37,357,480
2	Accumulated Depreciation	(478,377)	(536,667)	(595,953)	(655,341)	(715,272)	(775,759)	(836,665)	(897,625)	(958,617)	(1,019,642)	(1,080,698)	(1,141,754)	(1,141,754)
3	Net Plant in Service	35,194,531	35,744,407	35,743,731	36,015,699	36,295,458	36,490,183	36,461,814	36,420,878	36,379,910	36,337,838	36,276,782	36,215,726	36,215,726
4	CWIP	22,312,143	24,460,694	26,376,617	28,052,374	29,975,952	31,480,397	33,364,825	35,260,835	37,372,243	38,242,865	39,150,104	40,003,610	40,003,610
5	Accumulated Deferred Income Taxes Federal & S	(7,795,818)	(7,847,534)	(7,898,838)	(7,950,099)	(8,001,136)	(8,051,943)	(8,102,576)	(8,153,188)	(8,203,786)	(8,254,370)	(8,304,942)	(8,355,513)	(8,355,513)
6	Ending rate base	49,710,856	52,357,567	54,221,511	56,117,974	58,270,275	59,918,637	61,724,063	63,528,526	65,548,368	66,326,333	67,121,945	67,863,823	67,863,823
7														
8	Average rate base	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	4,933,636	59,203,636
9														
10	Return on Rate Base	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	5,097,937
11														
12	Available for return (equity portion of rate base)	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	3,288,601
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	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	59,388	59,931	60,488	60,906	60,959	60,992	61,025	61,056	61,056	720,558
19	Total O&M and Depreciation Expense	145,335	146,444	147,441	147,542	148,085	148,642	149,060	149,114	149,146	149,179	149,210	149,210	1,778,410
20														
21	Income before Taxes													
22	Available for return (from above)	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	274,050	3,288,601
23	Taxable Income (grossed up)	467,423	467,423	467,423	467,423	467,423	467,423	467,423	467,423	467,423	467,423	467,423	467,423	5,609,075
24														
25	Income Taxes													
26	Current and Def Income Taxes	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	2,320,475
27	Total Income Tax Expense	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	193,373	2,320,475
28														
29														
30	REVENUE REQUIREMENTS													
31	Expenses	338,708	339,817	340,813	340,915	341,458	342,015	342,433	342,487	342,519	342,552	342,583	342,583	4,098,884
32	Return on rate base	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	424,828	5,097,937
33	Subtotal revenue requirements	763,536	764,645	765,642	765,743	766,286	766,843	767,261	767,315	767,347	767,380	767,411	767,411	9,196,822
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	763,536	764,645	765,642	765,743	766,286	766,843	767,261	767,315	767,347	767,380	767,411	767,411	9,196,822
37														
38	Minnesota share - D2 factor	365,658	366,188	366,666	366,714	366,975	367,241	367,441	367,467	367,483	367,498	367,513	367,513	4,404,358

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														
10	Project life (years)	<u>Book</u>	<u>Tax</u>											
11		50	15-year MACRS											
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	59,388	59,931	60,488	60,906	60,959	60,992	61,025	61,056	61,056	720,558
20	Tax depreciation-Federal	114,371	114,371	114,371	114,371	114,371	114,371	114,371	114,371	114,371	114,371	114,371	114,371	1,372,454
21	Tax depreciation-MN	405,341	405,341	405,341	405,341	405,341	405,341	405,341	405,341	405,341	405,341	405,341	405,341	4,864,090
22	Federal deferred income taxes	(18,055)	(17,705)	(17,390)	(17,358)	(17,187)	(17,011)	(16,879)	(16,862)	(16,852)	(16,841)	(16,832)	(16,832)	(205,804)
23	State deferred income taxes	(34,120)	(34,011)	(33,913)	(33,903)	(33,850)	(33,796)	(33,755)	(33,749)	(33,746)	(33,743)	(33,740)	(33,740)	(406,066)

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														
	Plant Balance													
	Bemidji-Grand Rapids (350)	0	0	0	0	0	0	0	419,574	577,428	577,428	554,136	565,699	565,699
	Bemidji-Grand Rapids (355)	0	0	0	0	0	0	0	9,394,542	12,928,996	12,928,996	12,407,480	12,666,382	12,666,382
	Bemidji-Grand Rapids (356)	0	0	0	0	0	0	0	1,657,860	2,281,588	2,281,588	2,189,555	2,235,244	2,235,244
1	Plant Balance	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	Accumulated Depreciation	0	0	0	0	0	0	0	0	(20,124)	(47,818)	(75,513)	(102,090)	(102,090)
3	Net Plant in Service	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	CWIP (Project #103487)	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	Accumulated Deferred Income Taxes Federal & State	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	Ending rate base	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	Average rate base	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	Return on Rate Base	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	Available for return (equity portion of rate base)	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												
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	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	Book Depreciation	0	0	0	0	0	0	0	0	20,124	27,695	27,695	26,577	102,090
19	Total O&M and Depreciation Expense	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	Income before Taxes													
22	Available for return (from above)	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
23	Taxable Income (grossed up)	1.7056	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
24														
25	Income Taxes													
26	Current and Def Income Taxes	41.37%	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	43,548	522,571
27	Total Income Tax Expense		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														
30	REVENUE REQUIRMENTS													
31	Expenses	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	Return on rate base	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	Subtotal revenue requirements	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	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	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	Minnesota share - D2 factor	47.89%	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							
4	Preferred equity	0.00%		0.00%		0.00%									
5	Common equity	51.72%		10.74%		5.55%									
6	Total	100.00%													
7						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	1.705611													
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	20,124	27,695	27,695	26,577	102,090	
20	Tax depreciation-Federal	0	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	0	386,683	386,683	386,683	386,683	1,933,416	
22	Federal deferred income taxes	0	0	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	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														
	Plant Balance		(12,492)	265,401	126,061	154,293	142,056	120,004	123,353	126,643	129,941	129,941	129,941	129,941
	Bemidji-Grand Rapids (350)	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699	565,699
	Bemidji-Grand Rapids (355)	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382	12,666,382
	Bemidji-Grand Rapids (356)	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244	2,235,244
1	Plant Balance	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	Accumulated Depreciation	(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	Net Plant in Service	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	CWIP (Project #103487)	19,944	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Federal & State	(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	Ending rate base	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	Average rate base	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	1,036,889
9														
10	Return on Rate Base	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	Available for return (equity portion of rate base)	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														
15	O&M and Depreciation													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	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	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
19	Total O&M and Depreciation Expense	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	Income before Taxes													
22	Available for return (from above)	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	Taxable Income (grossed up)	1.7056	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	Income Taxes													
26	Current and Def Income Taxes	41.37%	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	Total Income Tax Expense		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	Expenses	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	Return on rate base	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	Subtotal revenue requirements	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	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	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	Minnesota share - D2 factor	47.89%	87,550	87,550	87,541	87,759	87,649	87,671	87,662	87,645	87,647	87,650	87,652	1,051,629

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%		2013 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			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	Plant Balance	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	Accumulated Depreciation	0	0	0	0	0	0	0	0	(7,550)	(15,100)	(22,649)	(30,199)	(30,199)
3	Net Plant in Service	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	CWIP	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	Accumulated Deferred Income Taxes Federal & State	0	0	0	0	0	0	0	(199,014)	(394,905)	(590,795)	(786,686)	(982,577)	(982,577)
6	Ending rate base	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	Average rate base	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	Return on Rate Base	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	Available for return (equity portion of rate base)	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														
15	<i>O&M and Depreciation</i>													
16	Operating Costs	0	0	0	432	432	432	432	432	432	432	432	432	3,886
17	Property Tax	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	Book Depreciation	0	0	0	0	0	0	0	0	7,550	7,550	7,550	7,550	30,199
19	Total O&M and Depreciation Expense	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	Income before Taxes													
22	Available for return (from above)	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	Taxable Income (grossed up)	1.7056	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	Income Taxes													
26	Current and Def Income Taxes	41.37%	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	Total Income Tax Expense		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	Expenses	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	Return on rate base	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	Subtotal revenue requirements	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	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	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	Minnesota share - D2 factor	47.89%	30,223	30,223	30,223	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		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	Project life (years)		Book		Tax									
10			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	7,550	7,550	7,550	7,550	30,199
20	Tax depreciation-Federal	0	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	0	139,763	139,763	139,763	139,763	139,763	698,815
22	Federal deferred income taxes	0	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	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	Plant Balance	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	Accumulated Depreciation	0	0	0	0	0	0	0	0	(9,158)	(18,359)	(27,536)	(36,787)	(36,787)
3	Net Plant in Service	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	CWIP	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	Accumulated Deferred Income Taxes Federal & State	0	0	0	0	0	0	0	(202,543)	(401,298)	(600,035)	(798,782)	(1,635,457)	(1,635,457)
6	Ending rate base	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	Average rate base	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	Return on Rate Base	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	Available for return (equity portion of rate base)	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														
15	O&M and Depreciation													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	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	Book Depreciation	0	0	0	0	0	0	0	0	9,158	9,201	9,177	9,251	36,787
19	Total O&M and Depreciation Expense	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	Income before Taxes													
22	Available for return (from above)	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
23	Taxable Income (grossed up)	1.7056	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
24														
25	Income Taxes													
26	Current and Def Income Taxes	41.37%	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	Total Income Tax Expense		39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	39,826	477,914
28														
29														
REVENUE REQUIRMENTS														
31	Expenses	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	Return on rate base	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	Subtotal revenue requirements	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	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	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	Minnesota share - D2 factor	47.89%	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.	Year>>	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	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	17,371,641	17,371,641
2	Accumulated Depreciation	(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	Net Plant in Service	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	17,094,574	17,094,574
4	CWIP	8,925,015	10,132,710	11,056,832	11,713,576	8,605,665	9,405,307	9,767,016	10,135,790	10,431,682	10,511,473	10,689,871	7,825,472	7,825,472
5	Accumulated Deferred Income Taxes Federal & State	(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)	(1,957,985)	(1,957,985)
6	Ending rate base	16,746,283	17,961,066	18,891,722	19,539,429	20,554,693	21,489,993	21,912,090	22,371,878	22,708,457	22,755,256	22,894,821	22,962,062	22,962,062
7														
8	Average rate base	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	1,706,746	20,480,955
9														
10	Return on Rate Base	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	1,763,585
11														
12	Available for return (equity portion of rate base)	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	1,137,661
13														
EXPENSES														
14														
15	O&M and Depreciation													
16	Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Property Tax	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	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
19	Total O&M and Depreciation Expense	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	Income before Taxes													
22	Available for return (from above)	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	94,805	1,137,661
23	Taxable Income (grossed up)	1.7056	161,701	161,701	161,701	161,701	161,701	161,701	161,701	161,701	161,701	161,701	161,701	1,940,408
24														
25	Income Taxes													
26	Current and Def Income Taxes	41.37%	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	802,747
27	Total Income Tax Expense		66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	66,896	802,747
28														
29														
REVENUE REQUIRMENTS														
30														
31	Expenses	109,446	109,919	110,037	110,155	110,222	117,106	117,460	117,692	117,974	118,174	118,198	118,212	1,374,595
32	Return on rate base	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	146,965	1,763,585
33	Subtotal revenue requirements	256,411	256,884	257,003	257,120	257,187	264,071	264,426	264,658	264,940	265,139	265,163	265,178	3,138,180
34	Adjustments													
35	Wholesale Revenue Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total revenue requirements	256,411	256,884	257,003	257,120	257,187	264,071	264,426	264,658	264,940	265,139	265,163	265,178	3,138,180
37														
38	Minnesota share - D2 factor	47.89%	122,795	123,022	123,079	123,135	123,167	126,464	126,634	126,745	126,880	126,975	126,994	1,502,874

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			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	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	67,175	218,601
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	280,426	1,586,056
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)	(61,598)	(190,641)
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)	(25,180)	(131,886)

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

CERTIFICATE OF SERVICE

**RE: In the Matter of Otter Tail Power Company's Request for Approval of its
Transmission Cost Recovery Rider Annual Adjustment Factor
Docket No. E017/M-13-103**

I, Jana Emery, 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
Amended Compliance Filing**

Dated this **30th** day of **April, 2014**

/s/ JANA EMERY

Jana Emery
Regulatory Filing Coordinator
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8879

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-103_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-103_Official
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_13-103_Official
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-103_Official
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-103_Official
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_13-103_Official