



414 Nicollet Mall
Minneapolis, Minnesota 55401

July 16, 2018

—VIA ELECTRONIC FILING—

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

RE: SECOND SUPPLEMENT TO REPLY COMMENTS
TRANSMISSION COST RECOVERY RIDER
DOCKET NO. E002/M-17-797

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Second Supplement to our Reply Comments originally filed on May 14, 2018 regarding our request for approval of Transmission Cost Recovery (TCR) Rider revenue requirements for 2017 and 2018 and our proposed TCR Adjustment Factors.

In our May 25, 2018 Supplemental Reply Comments, we presented an alternative treatment to minimize customer impacts related to the proration of accumulated deferred income taxes (ADIT). The ADIT prorate was embedded in the rate base calculation rather than presented as a separate line item. In subsequent conversations, the Department has requested that we provide a more granular breakdown of this treatment to show the impact to project-specific revenue requirements. We provide this requested analysis as Attachment A to this Second Supplement to our Reply Comments.

Attachment A shows how ADIT prorating impacts each individual project's revenue requirement. In addition, Attachment A reflects a correction to the Revenue Requirement Factor calculation as the direct tax impact was applied to both the debt return and equity return. The correct factor would be to have the total of the debt return, equity return, and the direct tax impact of only the equity return (to gross-up the equity return). The debt return does not need to be grossed up for taxes as interest on debt is tax deductible.

We acknowledge that the Department asserted in their July 5 letter in the State Energy Policy Rider proceeding (Docket No. G002/M-18-184) that the alternative ADIT treatment is too complex. We hope that this additional information helps to better demonstrate the calculation.

As can be seen from Attachment A, the impact on customers of our proposed ADIT treatment is de minimis. Following the further refinements to the proposed calculation filed on May 25, 2018 discussed above, resulting in an increase of \$438, Attachment A reflects \$636 of total revenue requirements for the year ended December 31, 2018 related to the impact of ADIT proration on the TCR Rider. Whether ADIT is prorated using the updated methodology or proration is removed entirely, with all else equal, the actual rate charged to customers would be the same. Further, we are not suggesting that any party agree that our proposal is the only appropriate methodology. Rather, we ask that parties agree to apply our proposed methodology for the currently pending Company rider filings, with no commitment from parties regarding future treatment. That is, should parties accept our proposed treatment in this proceeding, the Company commits here to refrain from using this outcome as an argument for acceptance in future proceedings. We believe this creates a win for customers: compliance with normalization rules, protection of customers, and avoidance of precedent for resolution of this issue in future proceedings.

We appreciate the input and discussion with the Department, and we look forward to resolving remaining differences with parties.

Pursuant to Minn. Stat. § 216.17, subd. 3, we have electronically filed this document, and served copies of the summary on the parties on the attached service lists.

If you have any questions regarding this filing please contact Rebecca Eilers at 612-330-5570 or rebecca.d.eilers@xcelenergy.com , or me at 612-330-5941 or holly.r.hinman@xcelenergy.com.

Sincerely,

/s/

HOLLY HINMAN
REGULATORY MANAGER

Enclosures
c: Service List

Line No.	ADIT Prorate Calculation		Reply Comment Methodology													
	ADMS		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1																
2																
3	Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15	15		
4	Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871		
5																
6	Deferred Beg Bal	C	47,172	46,926	46,679	46,433	46,186	45,940	45,693	45,447	45,200	44,954	44,707	44,461		
7	Deferred Tax Exp Activity	D	(247)	(247)	(247)	(247)	(247)	(247)	(247)	(247)	(247)	(247)	(247)	(247)		(2,958) Line No. 17
8	Deferred Tax End Bal	E=C+D	46,926	46,679	46,433	46,186	45,940	45,693	45,447	45,200	44,954	44,707	44,461	44,214		
9	Average ADIT End Bal	F=(C+E)/2	47,049	46,803	46,556	46,310	46,063	45,817	45,570	45,324	45,077	44,831	44,584	44,338		
10																
11	Deferred Tax Exp Prorated Activity	G=B*D	(119)	(123)	(119)	(123)	(119)	(123)	(119)	(119)	(123)	(119)	(123)	(119)		
12	Deferred Tax End Bal Prorated	H = C+G	47,053	46,803	46,560	46,310	46,067	45,817	45,574	45,327	45,077	44,834	44,584	44,341		Line No. 8
13																
14	Revenue Requirement Factor	I= (WACC+(Equity Return*(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%		
15																
16	RR of ADIT Pro-rate	J = (F-H)*I	(0)	-	(0)	-	(0)	-	(0)	(0)	0	(0)	0	(0)	(0)	
17																
18	Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%		
19																
20	MN Jur RR of ADIT Pro-rate	L = J*K	(0)	-	(0)	-	(0)	-	(0)	(0)	0	(0)	0	(0)	(0)	

Line No.		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1	Big Stone-Brookings														
2															
3	Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15		
4	Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5															
6	Deferred Beg Bal	C	1,981,692	2,085,310	2,188,929	2,292,548	2,396,167	2,499,785	2,603,404	2,707,023	2,810,642	2,914,261	3,017,879	3,121,498	
7	Deferred Tax Exp Activity	D	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	103,619	1,243,425 Line No. 35
8	Deferred Tax End Bal	E=C+D	2,085,310	2,188,929	2,292,548	2,396,167	2,499,785	2,603,404	2,707,023	2,810,642	2,914,261	3,017,879	3,121,498	3,225,117	
9	Average ADIT End Bal	F=(C+E)/2	2,033,501	2,137,120	2,240,738	2,344,357	2,447,976	2,551,595	2,655,214	2,758,832	2,862,451	2,966,070	3,069,689	3,173,308	
10															
11	Deferred Tax Exp Prorated Activity	G=B*D	50,138	51,809	50,138	51,809	50,138	51,809	50,138	50,138	51,809	50,138	51,809	50,138	
12	Deferred Tax End Bal Prorated	H = C+G	2,031,830	2,137,120	2,239,067	2,344,357	2,446,305	2,551,595	2,653,542	2,757,161	2,862,451	2,964,399	3,069,689	3,171,636	Line No. 26
13															
14	Revenue Requirement Factor	I= (WACC*(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15															
16	RR of ADIT Pro-rate	J = (F-H)*I	13	-	13	-	13	-	13	13	(0)	13	(0)	13	94
17															
18	Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19															
20	MN Jur RR of ADIT Pro-rate	L = J*K	10	-	10	-	10	-	10	10	(0)	10	(0)	10	69

Line No.			Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1		CAPX2020 Brookings														
2																
3		Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15		
4		Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5																
6		Deferred Beg Bal	C	92,689,588	93,043,737	93,397,886	93,752,035	94,106,183	94,460,332	94,814,481	95,168,630	95,522,779	95,876,928	96,231,077	96,585,226	
7		Deferred Tax Exp Activity	D	354,149	354,149	354,149	354,149	354,149	354,149	354,149	354,149	354,149	354,149	354,149	354,149	4,249,786 Line No. 52
8		Deferred Tax End Bal	E=C+D	93,043,737	93,397,886	93,752,035	94,106,183	94,460,332	94,814,481	95,168,630	95,522,779	95,876,928	96,231,077	96,585,226	96,939,374	
9		Average ADIT End Bal	F=(C+E)/2	92,866,662	93,220,811	93,574,960	93,929,109	94,283,258	94,637,407	94,991,556	95,345,704	95,699,853	96,054,002	96,408,151	96,762,300	
10																
11		Deferred Tax Exp Prorated Activity	G=B*D	171,362	177,074	171,362	177,074	171,362	177,074	171,362	171,362	177,074	171,362	177,074	171,362	
12		Deferred Tax End Bal Prorated	H = C+G	92,860,950	93,220,811	93,569,248	93,929,109	94,277,546	94,637,407	94,985,844	95,339,992	95,699,853	96,048,290	96,408,151	96,756,588	Line No. 43
13																
14		Revenue Requirement Factor	I= (WACC+(Equity Return*(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15																
16		RR of ADIT Pro-rate	J = (F-H)*I	46	-	46	-	46	-	46	46	-	46	-	46	321
17																
18		Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19																
20		MN Jur RR of ADIT Pro-rate	L = J*K	34	-	34	-	34	-	34	34	-	34	-	34	236

Line No.			Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1		CAPX2020 - La Crosse Local														
2																
3		Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15		
4		Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5																
6		Deferred Beg Bal	C	15,138,316	15,213,465	15,288,614	15,363,763	15,438,911	15,514,060	15,589,209	15,664,358	15,739,507	15,814,656	15,889,804	15,964,953	
7		Deferred Tax Exp Activity	D	75,149	75,149	75,149	75,149	75,149	75,149	75,149	75,149	75,149	75,149	75,149	75,149	901,786 Line No. 69
8		Deferred Tax End Bal	E=C+D	15,213,465	15,288,614	15,363,763	15,438,911	15,514,060	15,589,209	15,664,358	15,739,507	15,814,656	15,889,804	15,964,953	16,040,102	
9		Average ADIT End Bal	F=(C+E)/2	15,175,890	15,251,039	15,326,188	15,401,337	15,476,486	15,551,635	15,626,783	15,701,932	15,777,081	15,852,230	15,927,379	16,002,528	
10																
11		Deferred Tax Exp Prorated Activity	G=B*D	36,362	37,574	36,362	37,574	36,362	37,574	36,362	36,362	37,574	36,362	37,574	36,362	
12		Deferred Tax End Bal Prorated	H = C+G	15,174,678	15,251,039	15,324,976	15,401,337	15,475,274	15,551,635	15,625,571	15,700,720	15,777,081	15,851,018	15,927,379	16,001,316	Line No. 60
13																
14		Revenue Requirement Factor	I= (WACC+(Equity Return*(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15																
16		RR of ADIT Pro-rate	J = (F-H)*I	10	-	10	-	10	-	10	10	-	10	-	10	68
17																
18		Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19																
20		MN Jur RR of ADIT Pro-rate	L = J*K	7	-	7	-	7	-	7	7	-	7	-	7	50

Line No.			Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1		CAPX2020 - La Crosse MISO														
2																
3		Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15		
4		Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5																
6		Deferred Beg Bal	C	15,146,799	15,209,920	15,273,042	15,336,163	15,399,284	15,462,406	15,525,527	15,588,649	15,651,770	15,714,891	15,778,013	15,841,134	
7		Deferred Tax Exp Activity	D	63,121	63,121	63,121	63,121	63,121	63,121	63,121	63,121	63,121	63,121	63,121	63,121	757,457 Line No. 87
8		Deferred Tax End Bal	E=C+D	15,209,920	15,273,042	15,336,163	15,399,284	15,462,406	15,525,527	15,588,649	15,651,770	15,714,891	15,778,013	15,841,134	15,904,256	
9		Average ADIT End Bal	F=(C+E)/2	15,178,359	15,241,481	15,304,602	15,367,724	15,430,845	15,493,966	15,557,088	15,620,209	15,683,331	15,746,452	15,809,573	15,872,695	
10																
11		Deferred Tax Exp Prorated Activity	G=B*D	30,543	31,561	30,543	31,561	30,543	31,561	30,543	31,561	30,543	31,561	30,543	30,543	
12		Deferred Tax End Bal Prorated	H = C+G	15,177,341	15,241,481	15,303,584	15,367,724	15,429,827	15,493,966	15,556,070	15,619,191	15,683,331	15,745,434	15,809,573	15,871,677	Line No. 78
13																
14		Revenue Requirement Factor	I= (WACC+(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15																
16		RR of ADIT Pro-rate	J = (F-H)*I	8	0	8	0	8	0	8	8	-	8	-	8	57
17																
18		Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19																
20		MN Jur RR of ADIT Pro-rate	L = J*K	6	0	6	0	6	0	6	6	-	6	-	6	42

Line No.			Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
1		CAPX2020 - La Crosse MISO - WI														
2																
3		Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15		
4		Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5																
6		Deferred Beg Bal	C	28,573,855	28,691,293	28,808,732	28,926,170	29,043,609	29,161,047	29,278,485	29,395,924	29,513,362	29,630,801	29,748,239	29,865,678	
7		Deferred Tax Exp Activity	D	117,438	117,438	117,438	117,438	117,438	117,438	117,438	117,438	117,438	117,438	117,438	117,438	1,409,262 Line No. 104
8		Deferred Tax End Bal	E=C+D	28,691,293	28,808,732	28,926,170	29,043,609	29,161,047	29,278,485	29,395,924	29,513,362	29,630,801	29,748,239	29,865,678	29,983,116	
9		Average ADIT End Bal	F=(C+E)/2	28,632,574	28,750,012	28,867,451	28,984,889	29,102,328	29,219,766	29,337,205	29,454,643	29,572,082	29,689,520	29,806,959	29,924,397	
10																
11		Deferred Tax Exp Prorated Activity	G=B*D	56,825	58,719	56,825	58,719	56,825	58,719	56,825	56,825	58,719	56,825	58,719	56,825	
12		Deferred Tax End Bal Prorated	H = C+G	28,630,680	28,750,012	28,865,557	28,984,889	29,100,434	29,219,766	29,335,311	29,452,749	29,572,082	29,687,626	29,806,959	29,922,503	Line No. 95
13																
14		Revenue Requirement Factor	I= (WACC+(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15																
16		RR of ADIT Pro-rate	J = (F-H)*I	15	-	15	-	15	-	15	15	(0)	15	(0)	15	106
17																
18		Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19																
20		MN Jur RR of ADIT Pro-rate	L = J*K	11	-	11	-	11	-	11	11	(0)	11	(0)	11	78

Line No.																
1	CAPX2020 Fargo		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
2																
3	Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15	15		
4	Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871		
5																
6	Deferred Beg Bal	C	43,220,202	43,404,288	43,588,375	43,772,461	43,956,547	44,140,633	44,324,719	44,508,805	44,692,891	44,876,977	45,061,064	45,245,150		
7	Deferred Tax Exp Activity	D	184,086	184,086	184,086	184,086	184,086	184,086	184,086	184,086	184,086	184,086	184,086	184,086	2,209,034	Line No. 121
8	Deferred Tax End Bal	E=C+D	43,404,288	43,588,375	43,772,461	43,956,547	44,140,633	44,324,719	44,508,805	44,692,891	44,876,977	45,061,064	45,245,150	45,429,236		
9	Average ADIT End Bal	F=(C+E)/2	43,312,245	43,496,331	43,680,418	43,864,504	44,048,590	44,232,676	44,416,762	44,600,848	44,784,934	44,969,021	45,153,107	45,337,193		
10																
11	Deferred Tax Exp Prorated Activity	G=B*D	89,074	92,043	89,074	92,043	89,074	92,043	89,074	89,074	92,043	89,074	92,043	89,074		
12	Deferred Tax End Bal Prorated	H = C+G	43,309,276	43,496,331	43,677,448	43,864,504	44,045,621	44,232,676	44,413,793	44,597,879	44,784,934	44,966,051	45,153,107	45,334,224		Line No. 112
13																
14	Revenue Requirement Factor	I= (WACC+(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%		
15																
16	RR of ADIT Pro-rate	J = (F-H)*I	24	-	24	-	24	-	24	24	-	24	-	24	167	
17																
18	Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%		
19																
20	MN Jur RR of ADIT Pro-rate	L = J*K	17	-	17	-	17	-	17	17	-	17	-	17	122	

Line No.																
1	LaCrosse - Madison		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total	Excel Line Reference on Attachment 13
2																
3	Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15	15		
4	Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871		
5																
6	Deferred Beg Bal	C	(1,335,218)	(1,276,598)	(1,217,978)	(1,159,358)	(1,100,738)	(1,042,119)	(983,499)	(924,879)	(866,259)	(807,639)	(749,019)	(690,399)		
7	Deferred Tax Exp Activity	D	58,620	58,620	58,620	58,620	58,620	58,620	58,620	58,620	58,620	58,620	58,620	58,620	703,438	Line No. 138
8	Deferred Tax End Bal	E=C+D	(1,276,598)	(1,217,978)	(1,159,358)	(1,100,738)	(1,042,119)	(983,499)	(924,879)	(866,259)	(807,639)	(749,019)	(690,399)	(631,780)		
9	Average ADIT End Bal	F=(C+E)/2	(1,305,908)	(1,247,288)	(1,188,668)	(1,130,048)	(1,071,428)	(1,012,809)	(954,189)	(895,569)	(836,949)	(778,329)	(719,709)	(661,090)		
10																
11	Deferred Tax Exp Prorated Activity	G=B*D	28,364	29,310	28,364	29,310	28,364	29,310	28,364	28,364	29,310	28,364	29,310	28,364		
12	Deferred Tax End Bal Prorated	H = C+G	(1,306,853)	(1,247,288)	(1,189,614)	(1,130,048)	(1,072,374)	(1,012,809)	(955,134)	(896,514)	(836,949)	(779,275)	(719,709)	(662,035)		Line No. 129
13																
14	Revenue Requirement Factor	I= (WACC+(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%		
15																
16	RR of ADIT Pro-rate	J = (F-H)*I	8	-	8	-	8	-	8	8	-	8	-	8	53	
17																
18	Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%		
19																
20	MN Jur RR of ADIT Pro-rate	L = J*K	6	-	6	-	6	-	6	6	-	6	-	6	39	

Line No.															
1	Total		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
2															
3	Pro-Rate Days	A	15	14	15	15	15	15	15	15	15	15	15	15	
4	Pro-Rate Factor	B = A/Days in Month	0.483871	0.500000	0.483871	0.500000	0.483871	0.500000	0.483871	0.483871	0.500000	0.483871	0.500000	0.483871	
5															
6	Deferred Beg Bal	C	195,462,405.64	196,418,341	197,374,277	198,330,213	199,286,149	200,242,085	201,198,021	202,153,957	203,109,892	204,065,828	205,021,764	205,977,700	
7	Deferred Tax Exp Activity	D	955,936	955,936	955,936	955,936	955,936	955,936	955,936	955,936	955,936	955,936	955,936	955,936	11,471,230
8	Deferred Tax End Bal	E=C+D	196,418,341	197,374,277	198,330,213	199,286,149	200,242,085	201,198,021	202,153,957	203,109,892	204,065,828	205,021,764	205,977,700	206,933,636	
9	Average ADIT End Bal	F=(C+E)/2	195,940,374	196,896,309	197,852,245	198,808,181	199,764,117	200,720,053	201,675,989	202,631,925	203,587,860	204,543,796	205,499,732	206,455,668	
10															
11	Deferred Tax Exp Prorated Activity	G=B*D	462,550	477,968	462,550	477,968	462,550	477,968	462,550	462,550	477,968	462,550	477,968	462,550	
12	Deferred Tax End Bal Prorated	H = C+G	195,924,955	196,896,309	197,836,827	198,808,181	199,748,699	200,720,053	201,660,570	202,616,506	203,587,860	204,528,378	205,499,732	206,440,250	
13															
14	Revenue Requirement Factor	I= (WACC*(Equity Return*T/(1-T)))/12	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
15															
16	RR of ADIT Pro-rate	J = (F-H)*I	124	0	124	0	124	0	124	124	0	124	0	124	866
17															
18	Jurisdictional Allocator	K	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	73.4404%	
19															
20	MN Jur RR of ADIT Pro-rate	L = J*K	91	0	91	0	91	0	91	91	0	91	0	91	636

CERTIFICATE OF SERVICE

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

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

xx electronic filing

DOCKET No. E002/M-17-797

Dated this 16th day of July 2018

/s/

Carl Cronin
Regulatory Administrator

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