

A315

Northern States Power  
Annual Revenue Requirement  
PI EPU  
Total RR for Equity Return Adjustment

Docket No. E002/GR-15-826  
Exhibit (AEH-1) Schedule 21  
Back-Up Workpaper

Capital Structure	2014	2015	2016	2017	2018	2019	2020
Long Term Debt Rate	4.8900%	4.8400%	4.8100%	4.8100%	4.7700%	4.7500%	4.8200%
Short Term Debt Rate	0.6500%	0.9800%	1.8400%	3.5700%	4.4500%	4.3100%	4.2600%
Preferred Stock Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Rate	9.7200%	10.0000%	10.0000%	10.0000%	10.0000%	10.0000%	10.0000%
Long Term Debt Ratio	45.4700%	45.8900%	46.2400%	46.0400%	46.4100%	45.8100%	45.5600%
Short Term Debt Ratio	1.6600%	1.6100%	1.2600%	1.4600%	1.0900%	1.6900%	1.9400%
Preferred Stock Ratio	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Ratio	52.8700%	52.5000%	52.5000%	52.5000%	52.5000%	52.5000%	52.5000%
Long Term Debt Weighted Cost	2.2200%	2.2200%	2.2200%	2.2100%	2.2100%	2.1800%	2.2000%
Short Term Debt Weighted Cost	0.0100%	0.0200%	0.0200%	0.0500%	0.0500%	0.0700%	0.0800%
Preferred Stock Weighted Cost	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Common Equity Weighted Cost	5.1400%	5.2500%	5.2500%	5.2500%	5.2500%	5.2500%	5.2500%
Required Rate of Return	7.3700%	7.4900%	7.4900%	7.5100%	7.5100%	7.5000%	7.5300%
Tax Rate (MN)	41.3700%	41.3700%	41.3700%	41.3700%	41.3700%	41.3700%	41.3700%
<b>Demand Allocation FIXED</b>	<b>DO NOT CHANGE</b>						
IA MN	84.7923%	84.7923%	84.7923%	84.7923%	84.7923%	84.7923%	84.7923%
IA WS	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%
JUR MN	87.6729%	87.6729%	87.6729%	87.6729%	87.6729%	87.6729%	87.6729%
JUR ND	6.1432%	6.1432%	6.1432%	6.1432%	6.1432%	6.1432%	6.1432%
JUR SD	6.1839%	6.1839%	6.1839%	6.1839%	6.1839%	6.1839%	6.1839%
Minnesota	74.3399%	74.3399%	74.3399%	74.3399%	74.3399%	74.3399%	74.3399%
Wisconsin	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%	15.2077%
North Dakota	5.2090%	5.2090%	5.2090%	5.2090%	5.2090%	5.2090%	5.2090%
South Dakota	5.2435%	5.2435%	5.2435%	5.2435%	5.2435%	5.2435%	5.2435%
Total	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Discount Rate 7.3700%

(000's)

Total Company	2014	2015	2016	2017	2018	2019	2020
Plant Investment	78,885	78,885	78,885	78,885	78,885	78,885	78,885
Depreciation Reserve	1,940	5,819	9,699	13,579	17,458	21,338	25,217
CWIP	-	-	-	-	-	-	-
Accumulated Deferred Taxes	31,881	30,295	28,709	27,123	25,537	23,951	22,365
Total Rate Base	45,064	42,771	40,477	38,183	35,890	33,596	31,303
Average Rate Base	45,064	42,771	40,477	38,183	35,890	33,596	31,303
Tax Preferred Items:							
Tax Depreciation & Removal Expense	-	-	-	-	-	-	-
Avoided Tax Interest	-	-	-	-	-	-	-
Debt Return	-	-	-	-	-	-	-
Equity Return	2,316	2,245	2,125	2,005	1,884	1,764	1,643
Current Income Tax Requirement	1,634	1,584	1,499	1,414	1,330	1,245	1,160
Book Depreciation	-	-	-	-	-	-	-
Annual Deferred Tax	-	-	-	-	-	-	-
AFUDC Expenditure	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-
Total Revenue Requirements	3,951	3,830	3,625	3,419	3,214	3,008	2,803

Minnesota	2014	2015	2016	2017	2018	2019	2020
Plant Investment	58,643	58,643	58,643	58,643	58,643	58,643	58,643
Depreciation Reserve	1,442	4,326	7,210	10,094	12,978	15,862	18,747
CWIP	-	-	-	-	-	-	-
Accumulated Deferred Taxes	23,700	22,521	21,342	20,163	18,984	17,805	16,626
Total Rate Base	33,501	31,796	30,091	28,386	26,680	24,975	23,270
Average Rate Base	33,501	31,796	30,091	28,386	26,680	24,975	23,270
Tax Preferred Items:							
Tax Depreciation & Removal Expense	-	-	-	-	-	-	-
Avoided Tax Interest	-	-	-	-	-	-	-
Debt Return	-	-	-	-	-	-	-
Equity Return	1,722	1,669	1,580	1,490	1,401	1,311	1,222
Current Income Tax Requirement	1,215	1,178	1,115	1,052	988	925	862
Book Depreciation	-	-	-	-	-	-	-
Annual Deferred Tax	-	-	-	-	-	-	-
AFUDC Expenditure	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-
Total Revenue Requirements	2,937	2,847	2,694	2,542	2,389	2,236	2,084
		2,847,131.87	2,694,452	2,541,773	2,389,093	2,236,413	2,083,734

## A32. Rate Case Expenses

**NORTHERN STATES POWER COMPANY**  
**2016 Requested Expenses**  
**RATE CASE AMORTIZATION**

**FERC Business Unit Description**  
 928 624001 NSPM E Regulatory Expense-MN

Estimated Rate Case Costs	4,201,605
Remove 0.5174% to Unregulated Business	(21,739)
Total Rate Case costs less Unregulated	4,179,866
Less 20% Write Off	(840,321.00)
Total Rate Case costs to Amortize	3,339,544.90
36 month amortization	1,113,181.63

**Electric RATE CASE EXPENSES**  
**Year Ended 12/31/2016**

**DESCRIPTION**

Consulting	696,000
Outside Legal Fees	2,040,000
State Agency Fees	1,007,000
Directs / ALJ	987,000
Intervenors	-
Court Reporter	20,000
Administrative Costs	458,605
Inserts (Design/Print/Inserting)	125,000
Newspaper (ad space--2)	240,000
Hearings - Venue Costs	1,650
Hearings - Travel Costs	400
Materials/Postage/Shipping/Printing	83,500
Employee Expense (Travel/Hotel)	8,055
	<b>4,201,605</b>

### Minnesota Electric Rate Case Expenses

	Outside Legal	Contract and Consulting	Regulatory Fees	Other	Total	Less: Unregulated Business	Less: 20% Uncollectible	Total Rate Case Costs to Amortize
E002/GR-15-826 ESTIMATE	2,040,000	696,000	1,007,000	458,605	4,201,605	(21,739)	(840,321)	3,339,545
E002/GR-13-868	2,135,608	2,349,104	1,029,244	365,784	5,879,740			
E002/GR-12-961	2,610,623	581,125	945,556	497,098	4,634,402			
E002/GR-10-971	1,723,405	1,027,602	691,557	473,109	3,915,672			
E002/GR-08-1065	792,578	385,346	531,930	231,762	1,941,616			
E002/GR-05-1428	1,574,679	1,239,471	679,915	268,520	3,762,586			

Notes:

Other category includes Mandatory Bill Inserts, Postage, Employee Expenses, Materials/Supplies, and Space Rental.

Expenses included through 6/23/2015

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A33-1

### Sherco 3 Deferral

The purpose of this adjustment is to reflect the Sherco 3 costs deferred in Docket No. E002-GR 12-961 into the 2016 test year.

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Xcel Energy  
Annual Revenue Requirement  
Sherco 3 Expense Deferral  
2016 Test Year Minnesota Electric Rate Case  
(000's)

Rate Analysis

	Total Company	MN Jurisdiction
Plant Investment	-	-
Depreciation Reserve	(9,308)	(9,308)
CWIP	-	-
Accumulated Deferred Taxes	3,799	3,799
	<u>5,509</u>	<u>5,509</u>
Average Rate Base	5,509	5,509
Debt Return	123	123
Equity Return	281	281
Current Income Tax Requirement	409	409

Amortization	503	503
Annual Deferred Tax	(205)	(205)
ITC Flow Thru	-	-
Tax Depreciation & Removal Expense	-	-
AFUDC Expenditure	-	-
Avoided Tax Interest	-	-
Property Taxes	-	-
<b>Total Revenue Requirements</b>	<b>1,111</b>	<b>1,111</b>

Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.81%	46.24%	2.2200%
Short Term Debt	1.84%	1.26%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.7200%	52.5000%	5.1000%
Required Rate of Return			<u>7.3400%</u>
PT Rate		0.0000%	
Tax Rate (MN)	41.3700%		
MN Direct		100.0000%	

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Northern States Power Company  
2016 Test Year  
Sherco 3 Expense Deferral

Direct MN Jur % 100.0000%  
Demand MN Co % 100.0000%  
100.0000%

**CWIP**

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	
Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	-

**Plant**

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	
Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	-

**Reserve (Reg Asset)**

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	
Production	(9,559,464.05)	(9,056,334.41)	(9,559,464.05)	(9,056,334.41)	
COSS Adj (000's)	(9,559)	(9,056)	(9,559)	(9,056)	(9,308)

**Accumulated Deferred**

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	
Production	3,901,637.90	3,696,288.56	3,901,637.90	3,696,288.56	
COSS Adj (000's)	3,902	3,696	3,902	3,696	3,799

**Amortization**

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	
Production	503,129.64	503,129.64	-	503,129.64	
COSS Adj (000's)	-	503	-	503	

**Annual Deferred**

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	
Production	(205,349.40)	(205,349.40)	-	(205,349.40)	
COSS Adj (000's)	-	(205)	-	(205)	

**Tax Depreciation**

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	
Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

**AFUDC**

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	
Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

**Avoided Tax**

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	
Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	



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Xcel Energy  
 Annual Revenue Requirement  
 Sherco 3 Expense Deferral  
 2017 Plan Year Minnesota Electric Rate Case  
 (000's)

**Rate Analysis**

	Total Company	MN Jurisdiction
Plant Investment	-	-
Depreciation Reserve	(8,805)	(8,805)
CWIP	-	-
Accumulated Deferred Taxes	3,594	3,594
	<u>5,211</u>	<u>5,211</u>
Average Rate Base	5,211	5,211
Debt Return	118	118
Equity Return	266	266
Current Income Tax Requirement	398	398

Amortization	503	503
Annual Deferred Tax	(205)	(205)
ITC Flow Thru	-	-
Tax Depreciation & Removal Expense	-	-
AFUDC Expenditure	-	-
Avoided Tax Interest	-	-
Property Taxes	-	-
<b>Total Revenue Requirements</b>	<b>1,079</b>	<b>1,079</b>

Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.81%	46.04%	2.2100%
Short Term Debt	3.57%	1.46%	0.0500%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.7200%	52.5000%	5.1000%
Required Rate of Return			7.3600%
PT Rate		0.0000%	
Tax Rate (MN)	41.3700%		
MN Direct		100.0000%	

Northern States Power Company  
2017 Plan Year  
Sherco 3 Expense Deferral

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Direct MN Jur % 100.0000%  
Demand MN Co % 100.0000%  
100.0000%

CWIP

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	

Production

COSS Adj (000's)

Plant

	Total Company		MN Jurisdiction		
	BOY	EOY	BOY	EOY	

Production

COSS Adj (000's)

Reserve (Reg Asset)

	Total Company		MN Jurisdiction		
	BOY	EOY	BOY	EOY	

Production

COSS Adj (000's)

Accumulated Deferred

	Total Company		MN Jurisdiction		
	BOY	EOY	BOY	EOY	

Production

COSS Adj (000's)

Amortization

	Total Company		MN Jurisdiction		
	Annual	Annual	Annual	Annual	

Production

COSS Adj (000's)

Annual Deferred

	Total Company		MN Jurisdiction		
	Annual	Annual	Annual	Annual	

Production

COSS Adj (000's)

Tax Depreciation

	Total Company		MN Jurisdiction		
	Annual	Annual	Annual	Annual	

Production

COSS Adj (000's)

AFUDC

	Total Company		MN Jurisdiction		
	Annual	Annual	Annual	Annual	

Production

COSS Adj (000's)

Avoided Tax

	Total Company		MN Jurisdiction		
	Annual	Annual	Annual	Annual	

Production

COSS Adj (000's)

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Xcel Energy  
 Annual Revenue Requirement  
 Sherco 3 Expense Deferral  
 2018 Plan Year Minnesota Electric Rate Case  
 (000's)

**Rate Analysis**

	Total Company	MN Jurisdiction
Plant Investment	-	-
Depreciation Reserve	(8,302)	(8,302)
CWIP	-	-
Accumulated Deferred Taxes	3,389	3,389
	4,913	4,913
Average Rate Base	4,913	4,913
Debt Return	111	111
Equity Return	251	251
Current Income Tax Requirement	387	387

Amortization	503	503
Annual Deferred Tax	(205)	(205)
ITC Flow Thru	-	-
Tax Depreciation & Removal Expense	-	-
AFUDC Expenditure	-	-
Avoided Tax Interest	-	-
Property Taxes	-	-
<b>Total Revenue Requirements</b>	<b>1,047</b>	<b>1,047</b>

Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.77%	46.41%	2.2100%
Short Term Debt	4.45%	1.09%	0.0500%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.7200%	52.5000%	5.1000%
Required Rate of Return			7.3600%
PT Rate		0.0000%	
Tax Rate (MN)	41.3700%		
MN Direct		100.0000%	

Northern States Power Company  
2018 Plan Year  
Sherco 3 Expense Deferral

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Direct MN Jur % 100.0000%  
Demand MN Co % 100.0000%  
100.0000%

CWIP

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	

Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

Plant

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	

Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

Reserve (Reg Asset)

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	

Production	(8,553,204.77)	(8,050,075.13)	(8,553,204.77)	(8,050,075.13)	
COSS Adj (000's)	(8,553)	(8,050)	(8,553)	(8,050)	(8,302)

Accumulated Deferred

	Total Company		MN Jurisdiction		Average
	BOY	EOY	BOY	EOY	

Production	3,490,939.22	3,285,589.88	3,490,939.22	3,285,589.88	
COSS Adj (000's)	3,491	3,286	3,491	3,286	3,389

Amortization

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	

Production	503,129.64	503,129.64	-	503,129.64	
COSS Adj (000's)	-	503	-	503	

Annual Deferred

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	

Production	(205,349.40)	(205,349.40)	-	(205,349.40)	
COSS Adj (000's)	-	(205)	-	(205)	

Tax Depreciation

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	

Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

AFUDC

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	

Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

Avoided Tax

	Total Company		MN Jurisdiction		Average
	Annual	Annual	Annual	Annual	

Production	-	-	-	-	
COSS Adj (000's)	-	-	-	-	

Func Class ID	Budget Version ID	Budget Version Desc	Item Desc	Activity Year	Jan Amt	Feb Amt	Mar Amt	Apr Amt	May Amt	Jun Amt	Jul Amt	Aug Amt	Sep Amt	Oct Amt	Nov Amt	Dec Amt
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2015	-10062593.69	-10020666.22	-9978738.75	-9936811.28	-9894883.81	-9852956.34	-9811028.87	-9769101.4	-9727173.93	-9685246.46	-9643318.99	-9601391.52
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2016	-9559464.05	-9517536.58	-9475609.11	-9433681.64	-9391754.17	-9349826.7	-9307899.23	-9265971.76	-9224004.29	-9182116.82	-9140189.35	-9098261.88
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2017	-9056334.41	-9014406.94	-8972479.47	-8930552	-8888624.53	-8846697.06	-8804769.59	-8762842.12	-8720914.65	-8678987.18	-8637059.71	-8595132.24
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2018	-8553204.77	-8511277.3	-8469349.83	-8427422.36	-8385494.89	-8343567.42	-8301639.95	-8259712.48	-8217785.01	-8175857.54	-8133930.07	-8092002.6
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2019	-8050075.13	-8008147.66	-7966220.19	-7924292.72	-7882365.25	-7840437.78	-7798510.31	-7756582.84	-7714655.37	-7672727.9	-7630800.43	-7588872.96
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr Beg Bal	2020	-7546945.49	-7505018.02	-7463090.55	-7421163.07	-7379235.6	-7337308.12	-7295380.65	-7253453.17	-7211525.7	-7169598.22	-7127670.75	-7085743.27
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2015	-10020666.22	-9978738.75	-9936811.28	-9894883.81	-9852956.34	-9811028.87	-9769101.4	-9727173.93	-9685246.46	-9643318.99	-9601391.52	-9559464.05
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2016	-9517536.58	-9475609.11	-9433681.64	-9391754.17	-9349826.7	-9307899.23	-9265971.76	-9224004.29	-9182116.82	-9140189.35	-9098261.88	-9056334.41
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2017	-9014406.94	-8972479.47	-8930552	-8888624.53	-8846697.06	-8804769.59	-8762842.12	-8720914.65	-8678987.18	-8637059.71	-8595132.24	-8553204.77
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2018	-8511277.3	-8469349.83	-8427422.36	-8385494.89	-8343567.42	-8301639.95	-8259712.48	-8217785.01	-8175857.54	-8133930.07	-8092002.6	-8050075.13
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2019	-8008147.66	-7966220.19	-7924292.72	-7882365.25	-7840437.78	-7798510.31	-7756582.84	-7714655.37	-7672727.9	-7630800.43	-7588872.96	-7546945.49
1	63874212	201505 May FINAL 06-01-2015 FMS	Accum Depr End Bal	2020	-7505018.02	-7463090.55	-7421163.07	-7379235.6	-7337308.12	-7295380.65	-7253453.17	-7211525.7	-7169598.22	-7127670.75	-7085743.27	-7043815.8
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2015	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2016	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2017	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2018	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2019	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Activity	2020	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45	-17112.45
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2015	4106987.24	4089874.8	4072762.35	4055649.91	4038537.46	4021425.02	4004312.57	3987200.13	3970087.68	3952975.24	3935862.79	3918750.35
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2016	3901637.9	3884525.46	3867413.01	3850300.57	3833188.12	3816075.68	3798963.23	3781850.79	3764738.34	3747625.9	3730513.45	3713401.01
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2017	3696288.56	3679176.12	3662063.67	3644951.23	3627838.78	3610726.34	3593613.89	3576501.45	3559389	3542276.56	3525164.11	3508051.67
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2018	3490939.22	3473826.78	3456714.33	3439601.89	3422489.44	3405377	3388264.55	3371152.11	3354039.66	3336927.22	3319814.77	3302702.33
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2019	3285589.88	3268477.44	3251364.99	3234252.55	3217140.1	3200027.66	3182915.21	3165802.77	3148690.32	3131577.88	3114465.43	3097352.99
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT Beg Bal	2020	3080420.54	3063128.09	3046015.65	3028903.2	3011790.76	2994678.31	2977565.87	2960453.42	2943340.97	2926228.53	2909116.08	2892003.64
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2015	4089874.8	4072762.35	4055649.91	4038537.46	4021425.02	4004312.57	3987200.13	3970087.68	3952975.24	3935862.79	3918750.35	3901637.9
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2016	3884525.46	3867413.01	3850300.57	3833188.12	3816075.68	3798963.23	3781850.79	3764738.34	3747625.9	3730513.45	3713401.01	3696288.56
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2017	3679176.12	3662063.67	3644951.23	3627838.78	3610726.34	3593613.89	3576501.45	3559389	3542276.56	3525164.11	3508051.67	3490939.22
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2018	3473826.78	3456714.33	3439601.89	3422489.44	3405377	3388264.55	3371152.11	3354039.66	3336927.22	3319814.77	3302702.33	3285589.88
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2019	3268477.44	3251364.99	3234252.55	3217140.1	3200027.66	3182915.21	3165802.77	3148690.32	3131577.88	3114465.43	3097352.99	3080420.54
1	63874212	201505 May FINAL 06-01-2015 FMS	ADIT End Bal	2020	3063128.09	3046015.65	3028903.2	3011790.76	2994678.31	2977565.87	2960453.42	2943340.97	2926228.53	2909116.08	2892003.64	2874891.19
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2015	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2016	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2017	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2018	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2019	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47	41927.47
1	63874212	201505 May FINAL 06-01-2015 FMS	Book Depr	2020	41927.47	41927.47	41927.48	41927.47	41927.48	41927.47	41927.48	41927.47	41927.48	41927.47	41927.48	41927.47



**PUBLIC DOCUMENT**  
**TRADE SECRET INFORMATION AND NON-PUBLIC DATA EXCISED**

Xcel Energy Services Inc.  
Estimate of Costs Included in the 2014 Minnesota Electric Test Year  
Based on 2014 Actual Transco O&M Costs

Docket No. E002/GR-15-826  
Volume 4B Test Year Workpapers - Adjustments  
Tab A34 - Page 1 of 1

	As Originally Filed		Based on 2014 Actual Costs	
	Xcel Transco 2014 Budgeted O&M Costs	Budgeted O&M Included in 2014 MN Electric Test Year O&M Costs**	Xcel Transco 2014 Actual O&M Costs	Estimated O&M Included in 2014 MN Elec Test Year O&M Costs**
<b>Business Area</b>	<b>[TRADE SECRET BEGINS]</b>			
Transmission				
Legal Services				
Financial Operations				
Other				
Total				* ***
<b>TRADE SECRET ENDS]</b>				
			Months to Amortize	36
			Monthly Amortization	\$ (3,846)

Originally filed in Docket No. E002/AI-14-759 Compliance Filing, Attachment A

\*Includes miscellaneous departments supporting the Xcel Energy Transco efforts including certain executives and Supply Chain.

\*\*Minnesota Electric Jurisdiction Test Year (Docket No. E002/GR-13-868) costs do not include the impact of Interchange Agreement billings to NSPW.  
2014 Actual MN Electric costs use 2014 Test Year jurisdictional allocators for consistency.

\*\*\*This amount will be included as an offset to the NSPM cost of service in the next general rate case.

Note: Most Transco-related legal services costs were for external resources incremental to costs in 2014 Budget and Test Year. Any changes to the cost of those external resources would be included in total Xcel Transco expenses, but would not be allocated to the Minnesota Jurisdiction because they were not part of the original 2014 Test Year. In addition, expenses in Transmission business units outside the NSPM service territory (i.e. SPS) were not included in the original 2014 NSPM Budget and Test Year, and changes to expenses in those business units would not be included in the Minnesota Jurisdictional allocation.





A35-1

Purpose

This adjustment removes all costs and revenues associated with the MN RES Rider.

Year	2015	2016	2017	2018	2019	2020
<b>Operating Revenues</b>						
Retail	\$0	(\$17,261,522)	(\$18,001,372)	(\$14,280,256)	(\$12,288,694)	(\$10,003,005)
<b>Total Operating Revenues</b>	<b>\$0</b>	<b>(\$17,261,522)</b>	<b>(\$18,001,372)</b>	<b>(\$14,280,256)</b>	<b>(\$12,288,694)</b>	<b>(\$10,003,005)</b>
<b>Expenses</b>						
Operating Expenses:						
Fuel & Purchased Energy	\$0	\$0	\$0	\$0	\$0	\$0
Power Production	0	(871,630)	(4,886,185)	(5,112,042)	(5,048,626)	(4,581,353)
Transmission	0	(200,778)	(1,606,225)	(1,606,225)	(1,606,225)	(1,606,225)
Distribution	0	0	0	0	0	0
Customer Accounting	0	0	0	0	0	0
Customer Service & Information	0	0	0	0	0	0
Sales, Econ Dvlp & Other	0	0	0	0	0	0
Administrative & General	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>\$0</b>	<b>(\$1,072,409)</b>	<b>(\$6,492,411)</b>	<b>(\$6,718,267)</b>	<b>(\$6,654,852)</b>	<b>(\$6,187,578)</b>
Depreciation	\$0	(\$441,347)	(\$9,175,709)	(\$9,175,709)	(\$9,175,709)	(\$9,175,709)
Amortization	\$1,442,091	(\$1,354,758)	(\$1)	\$0	\$0	\$0
Taxes:						
Property	\$0	\$0	(\$664,124)	(\$664,124)	(\$664,124)	(\$664,124)
Deferred Income Tax & ITC	\$202,013	(\$15,200,179)	(\$24,136,996)	(\$13,127,411)	(\$6,509,192)	(\$6,474,907)
Federal & State Income Tax	(508,439)	10,722,837	36,118,180	27,007,434	20,912,705	21,558,807
Payroll & Other	0	0	0	0	0	0
<b>Total Taxes</b>	<b>(\$306,426)</b>	<b>(\$4,477,342)</b>	<b>\$11,317,060</b>	<b>\$13,215,899</b>	<b>\$13,739,389</b>	<b>\$14,419,777</b>
<b>Total Expenses</b>	<b>\$1,135,665</b>	<b>(\$7,345,855)</b>	<b>(\$4,351,060)</b>	<b>(\$2,678,077)</b>	<b>(\$2,091,172)</b>	<b>(\$943,510)</b>
Allowance for Funds Used During Construction	(\$102,815)	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Income</b>	<b>(\$1,238,480)</b>	<b>(\$9,915,667)</b>	<b>(\$13,650,312)</b>	<b>(\$11,602,180)</b>	<b>(\$10,197,522)</b>	<b>(\$9,059,495)</b>
<b>Calculation of Revenue Requirements</b>						
CWIP	(33,001,836)	(33,001,836)	(0)	(0)	(0)	(0)
Plant	-	(108,732,793)	(217,465,585)	(217,465,585)	(217,465,585)	(217,465,585)
Reserve	-	(220,674)	(5,029,201)	(14,204,910)	(23,380,619)	(32,556,327)
ADIT	101,006	(7,398,077)	(27,066,665)	(45,698,868)	(55,517,169)	(62,009,219)
Rate Base	(\$33,102,843)	(\$134,115,878)	(\$185,369,719)	(\$157,561,807)	(\$138,567,797)	(\$122,900,039)
Required Operating Income	(2,429,749)	(9,844,105)	(13,643,211)	(11,596,549)	(10,184,733)	(9,070,023)
Operating Income	(1,238,480)	(9,915,667)	(13,650,312)	(11,602,180)	(10,197,522)	(9,059,495)
Income Deficiency	(1,191,269)	71,561	7,101	5,631	12,789	(10,528)
Revenue Deficiency	<b>(\$2,031,841)</b>	<b>\$122,056</b>	<b>\$12,111</b>	<b>\$9,604</b>	<b>\$21,813</b>	<b>(\$17,957)</b>
<b>Calculation of Income Taxes</b>						
Operating Revenue	\$0	(\$17,261,522)	(\$18,001,372)	(\$14,280,256)	(\$12,288,694)	(\$10,003,005)
- Operating Exp	0	(1,072,409)	(6,492,411)	(6,718,267)	(6,654,852)	(6,187,578)
- Amortizations	1,442,091	(1,354,758)	(1)	0	0	0
- Taxes oth than Inc	0	0	(664,124)	(664,124)	(664,124)	(664,124)
Operating Income before Adjs	(\$1,442,091)	(\$14,834,356)	(\$10,844,837)	(\$6,897,865)	(\$4,969,718)	(\$3,151,303)
Additions to Income	(\$528,417)	(\$4,896,838)	\$0	\$0	\$0	\$0
Deduct from Income	\$0	(\$42,584,556)	(\$68,318,175)	(\$41,340,311)	(\$25,123,043)	(\$25,039,030)
Debt Synchronization	(\$741,504)	(\$3,004,196)	(\$4,189,356)	(\$3,560,897)	(\$3,117,775)	(\$2,802,121)
State Taxable Income	(\$1,229,004)	\$25,857,557	\$61,662,694	\$38,003,342	\$23,271,100	\$24,689,848
State Income Tax before Credits	(\$120,442)	\$2,534,041	\$6,042,944	\$3,724,328	\$2,280,568	\$2,419,605
State Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0
Federal Taxable Income	(\$1,108,562)	\$23,323,517	\$55,619,750	\$34,279,015	\$20,990,532	\$22,270,243
Fed Income Tax before Credits	(\$387,997)	\$8,163,231	\$19,466,912	\$11,997,655	\$7,346,686	\$7,794,585
Federal Tax Credits	\$0	(\$25,566)	(\$10,608,324)	(\$11,285,451)	(\$11,285,451)	(\$11,344,617)
Income Tax	(\$508,439)	\$10,722,837	\$36,118,180	\$27,007,434	\$20,912,705	\$21,558,807
Debt Rate	2.24%	2.24%	2.26%	2.26%	2.25%	2.28%
Equity Rate	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
Tax Rate	41.37%	41.37%	41.37%	41.37%	41.37%	41.37%
Fed Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
State Rate	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%
Conversion Factor	1.705611462	1.705611462	1.705611462	1.705611462	1.705611462	1.705611462
Allocator Wind	73.47%	73.47%	73.47%	73.47%	73.47%	73.47%
Allocator Transmission	73.49%	73.49%	73.49%	73.49%	73.49%	73.49%



A36-1

Purpose:

This adjustment removes costs and revenues associated with the MN TCR Rider.

A36-2

TCR - Tran Rate Base	B Total Company Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	56,440,050	110,841,245	0	0	(83,640,648)
Plant In Service	255,983,627	316,449,725	0	0	(286,216,676)
Depreciation Reserve	2,185,372	7,291,540	0	0	(4,738,456)
Accumulated Deferred Income Tax	34,753,306	38,360,905	0	0	(36,557,106)
<b>Total Production Rate Base</b>	<b>275,484,999</b>	<b>381,638,525</b>	<b>0</b>	<b>0</b>	<b>(328,561,762)</b>
	<b>Average</b>	<b>328,561,762</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
Rider Revenues (Retail Revenues)	0		21,645,684		(21,645,684)
RECB Revenue (Other Revenues)	0		148,316,706		(148,316,706)
RECB Expense	0		121,270,789		(121,270,789)
OATT Revenue Credit (Other Revenues)	1,746,864		0		(1,746,864)
Operating & Maintenance	0		0		0
Book Depreciation Expense	5,106,169		0		(5,106,169)
Deferred Income Tax Expense	3,607,599		0		(3,607,599)
Property Tax Expense	4,387,784		0		(4,387,784)
AFUDC (Debt)	0		0		0
AFUDC (Equity)	0		0		0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	16,736,043		0		(16,736,043)
Avoided Tax Interest	2,795,528		0		(2,795,528)
Removal (MERP Only)	0		0		0
Production Tax Credit (Wind)	0		0		0
<b>Amortizations</b>					
Over/Under from prior year	9,716,915		0		(9,716,915)
Over/Under from current year	(8,787)		0		8,787
Other Amortization	0		0		0
<b>Total Amortization</b>	<b>9,708,128</b>		<b>0</b>		<b>(9,708,128)</b>
<b>TCR - Total Rate Base</b>					
	B MN JUR Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	41,476,976	81,455,628	0	0	(61,466,302)
Plant In Service	188,118,666	232,554,327	0	0	(210,336,496)
Depreciation Reserve	1,605,998	5,358,447	0	0	(3,482,223)
Accumulated Deferred Income Tax	25,539,702	28,190,875	0	0	(26,865,288)
<b>Total Transmission Rate Base</b>	<b>202,449,942</b>	<b>280,460,633</b>	<b>0</b>	<b>0</b>	<b>(241,455,287)</b>
	<b>Average</b>	<b>241,455,287</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
Rider Revenues (Retail Revenues)	0		21,645,684		(21,645,684)
RECB Revenue (Other Revenues)	0		108,995,802		(108,995,802)
RECB Expense	0		89,120,149		(89,120,149)
OATT Revenue Credit (Other Revenues)	1,283,745		0		(1,283,745)
Operating & Maintenance	0		0		0
Book Depreciation Expense	3,752,449		0		(3,752,449)
Deferred Income Tax Expense	2,651,172		0		(2,651,172)
Property Tax Expense	3,224,519		0		(3,224,519)
AFUDC (Debt & Equity)	0		0		0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	12,299,076		0		(12,299,076)
Avoided Tax Interest	2,054,393		0		(2,054,393)
Removal (MERP Only)	0		0		0
Production Tax Credit (Wind)	0		0		0
<b>Amortizations</b>					
Over/Under from prior year	9,716,915		0		(9,716,915)
Over/Under from current year	(8,787)		0		8,787
Other Amortization	0		0		0
<b>Total Amortization</b>	<b>9,708,128</b>		<b>0</b>		<b>(9,708,128)</b>
<b>Return</b>					
Debt Return	5,408,598		0		(5,408,598)
Equity Return	12,314,220		0		(12,314,220)
<b>Total Return</b>	<b>17,722,818</b>		<b>0</b>		<b>(17,722,818)</b>
<b>Expenses</b>					
Operating & Maintenance	0		89,120,149		(89,120,149)
Book Depreciation Expense	3,752,449		0		(3,752,449)
Deferred Income Tax Expense	2,651,172		0		(2,651,172)
Property Tax Expense	3,224,519		0		(3,224,519)
Amortization	9,708,128		0		(9,708,128)
<b>Total Expense</b>	<b>19,336,268</b>		<b>89,120,149</b>		<b>(106,456,418)</b>
<b>Income Tax</b>					
Equity Return	12,314,220		0		(12,314,220)
Book Depreciation	3,752,449		0		(3,752,449)
Deferred Taxes	2,651,172		0		(2,651,172)
Avoided Tax Interest	2,054,393		0		(2,054,393)
Less: Tax Depreciation	(12,299,076)		0		12,299,076
Less: PTC (Gross-Up)	0		0		0
Less: Removal Costs	0		0		0
<b>Total Basis</b>	<b>8,473,159</b>		<b>0</b>		<b>(8,473,159)</b>
Income Tax Factor (t/(1-t))	0.7056		0.7056		0.7056
Income Tax Revenue Req	5,978,758		0		(5,978,758)
<b>Total Revenue Requirement</b>	<b>41,754,100</b>		<b>(19,875,653)</b>		<b>(21,878,447)</b>
Less Revenues	0		21,645,684		21,645,684
Impact to COSS Def of removing rider	(41,754,100)		41,521,336		232,763
<b>Impact of rolling rider into COSS</b>	<b>41,754,100</b>		<b>(41,521,336)</b>		<b>(232,763)</b>

A36-3

TCR - Tran Rate Base	B Total Company Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	110,841,245	131,522,851	0	0	(121,182,048)
Plant in Service	316,449,725	398,007,160	0	0	(357,228,443)
Depreciation Reserve	7,291,540	13,283,103	0	0	(10,287,322)
Accumulated Deferred Income Tax	38,360,905	42,599,701	0	0	(40,480,303)
<b>Total Production Rate Base</b>	<b>381,638,525</b>	<b>473,647,208</b>	<b>0</b>	<b>0</b>	<b>(427,642,866)</b>
	<b>Average</b>	<b>427,642,866</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
Total Company Inputs		Rider Rev			
Rider Revenues (Retail Revenues)	0	32,326,496			(32,326,496)
RECB Revenue (Other Revenues)	0	148,278,899			(148,278,899)
RECB Expense	0	135,833,034			(135,833,034)
OATT Revenue Credit (Other Revenues)	2,139,022	0			(2,139,022)
Operating & Maintenance	0	0			0
Book Depreciation Expense	5,991,563	0			(5,991,563)
Deferred Income Tax Expense	4,238,799	0			(4,238,799)
Property Tax Expense	5,424,226	0			(5,424,226)
AFUDC (Debt)	0	0			0
AFUDC (Equity)	0	0			0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	21,702,813	0			(21,702,813)
Avoided Tax Interest	5,330,679	0			(5,330,679)
Removal (MERP Only)	0	0			0
Production Tax Credit (Wind)	0	0			0
<b>Amortizations</b>					
Over/Under from prior year	0	0			0
Over/Under from current year	0	0			0
Other Amortization	0	0			0
Total Amortization	0	0			0
<b>TCR - Total</b>					
Rate Base	B MN JUR Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	81,455,628	96,654,241	0	0	(89,054,935)
Plant in Service	232,554,327	292,489,707	0	0	(262,522,017)
Depreciation Reserve	5,358,447	9,761,561	0	0	(7,560,004)
Accumulated Deferred Income Tax	28,190,875	31,305,904	0	0	(29,748,389)
<b>Total Transmission Rate Base</b>	<b>280,460,633</b>	<b>348,076,483</b>	<b>0</b>	<b>0</b>	<b>(314,268,558)</b>
	<b>Average</b>	<b>314,268,558</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
MN JUR Inputs		Rider Rev			
Rider Revenues (Retail Revenues)	0	32,326,496			(32,326,496)
RECB Revenue (Other Revenues)	0	108,968,018			(108,968,018)
RECB Expense	0	99,821,732			(99,821,732)
OATT Revenue Credit (Other Revenues)	1,571,936	0			(1,571,936)
Operating & Maintenance	0	0			0
Book Depreciation Expense	4,403,113	0			(4,403,113)
Deferred Income Tax Expense	3,115,032	0			(3,115,032)
Property Tax Expense	3,986,185	0			(3,986,185)
AFUDC (Debt & Equity)	0	0			0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	15,949,083	0			(15,949,083)
Avoided Tax Interest	3,917,439	0			(3,917,439)
Removal (MERP Only)	0	0			0
Production Tax Credit (Wind)	0	0			0
<b>Amortizations</b>					
Over/Under from prior year	0	0			0
Over/Under from current year	0	0			0
Other Amortization	0	0			0
Total Amortization	0	0			0
<b>Return</b>					
Debt Return	7,102,469	0			(7,102,469)
Equity Return	16,027,696	0			(16,027,696)
Total Return	23,130,166	0			(23,130,166)
<b>Expenses</b>					
Operating & Maintenance	0	99,821,732			(99,821,732)
Book Depreciation Expense	4,403,113	0			(4,403,113)
Deferred Income Tax Expense	3,115,032	0			(3,115,032)
Property Tax Expense	3,986,185	0			(3,986,185)
Amortization	0	0			0
Total Expense	11,504,330	99,821,732			(111,326,063)
<b>Income Tax</b>					
Equity Return	16,027,696	0			(16,027,696)
Book Depreciation	4,403,113	0			(4,403,113)
Deferred Taxes	3,115,032	0			(3,115,032)
Avoided Tax Interest	3,917,439	0			(3,917,439)
Less: Tax Depreciation	(15,949,083)	0			15,949,083
Less: PTC (Gross-Up)	0	0			0
Less: Removal Costs	0	0			0
Total Basis	11,514,198	0			(11,514,198)
Income Tax Factor (1/(1-t))	0.7056	0.7056			0.7056
Income Tax Revenue Req	8,124,550	0			(8,124,550)
Total Revenue Requirement	41,187,109	(9,146,286)			(32,040,824)
Less Revenues	0	(32,326,496)			32,326,496
Impact to COSS Def of removing rider	(41,187,109)	41,472,782			(285,672)
Impact of rolling rider into COSS	41,187,109	(41,472,782)			285,672

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TCR - Transmission Rate Base	B Total Company Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	131,522,851	13,225	0	0	(65,768,038)
Plant In Service	398,007,160	569,956,871	0	0	(483,982,016)
Depreciation Reserve	13,283,103	20,920,426	0	0	(17,101,765)
Accumulated Deferred Income Tax	42,599,701	50,685,181	0	0	(46,642,441)
<b>Total Production Rate Base</b>	<b>473,647,208</b>	<b>498,364,489</b>	<b>0</b>	<b>0</b>	<b>(486,005,848)</b>
	<b>Average</b>	<b>486,005,848</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
Total Company Inputs			Rider Rev		
Rider Revenues (Retail Revenues)	0		37,896,378		(37,896,378)
RECB Revenue (Other Revenues)	0		158,736,032		(158,736,032)
RECB Expense	0		144,412,242		(144,412,242)
OATT Revenue Credit (Other Revenues)	2,070,569		0		(2,070,569)
Operating & Maintenance	0		0		0
Book Depreciation Expense	7,637,323		0		(7,637,323)
Deferred Income Tax Expense	8,085,480		0		(8,085,480)
Property Tax Expense	6,822,192		0		(6,822,192)
AFUDC (Debt)	0		0		0
AFUDC (Equity)	0		0		0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	32,264,747		0		(32,264,747)
Avoided Tax Interest	4,828,963		0		(4,828,963)
Removal (MERP Only)	0		0		0
Production Tax Credit (Wind)	0		0		0
<b>Amortizations</b>					
Over/Under from prior year	0		0		0
Over/Under from current year	0		0		0
Other Amortization	0		0		0
Total Amortization	0		0		0
<b>TCR - Total Rate Base</b>					
	B MN JUR Inputs		C Rider Rev		= (B) - C Rider Removal Entry
	BOY	EOY	BOY	EOY	
CWIP	96,654,241	9,719	0	0	(48,331,980)
Plant In Service	292,489,707	418,853,062	0	0	(356,671,385)
Depreciation Reserve	9,761,561	15,374,119	0	0	(12,567,840)
Accumulated Deferred Income Tax	31,305,904	37,247,807	0	0	(34,276,855)
<b>Total Transmission Rate Base</b>	<b>348,076,483</b>	<b>366,240,856</b>	<b>0</b>	<b>0</b>	<b>(357,158,670)</b>
	<b>Average</b>	<b>357,158,670</b>	<b>Average</b>	<b>0</b>	
<b>Income Statement</b>					
MN JUR Inputs			Rider Rev		
Rider Revenues (Retail Revenues)	0		37,896,378		(37,896,378)
RECB Revenue (Other Revenues)	0		116,652,815		(116,652,815)
RECB Expense	0		106,126,468		(106,126,468)
OATT Revenue Credit (Other Revenues)	1,521,631		0		(1,521,631)
Operating & Maintenance	0		0		0
Book Depreciation Expense	5,612,558		0		(5,612,558)
Deferred Income Tax Expense	5,941,902		0		(5,941,902)
Property Tax Expense	5,013,530		0		(5,013,530)
AFUDC (Debt & Equity)	0		0		0
<b>Income Tax Statement</b>					
Tax Depreciation Expense	23,710,896		0		(23,710,896)
Avoided Tax Interest	3,548,735		0		(3,548,735)
Removal (MERP Only)	0		0		0
Production Tax Credit (Wind)	0		0		0
<b>Amortizations</b>					
Over/Under from prior year	0		0		0
Over/Under from current year	0		0		0
Other Amortization	0		0		0
Total Amortization	0		0		0
<b>Return</b>					
Debt Return	8,071,786		0		(8,071,786)
Equity Return	18,215,092		0		(18,215,092)
Total Return	26,286,878		0		(26,286,878)
<b>Expenses</b>					
Operating & Maintenance	0		106,126,468		(106,126,468)
Book Depreciation Expense	5,612,558		0		(5,612,558)
Deferred Income Tax Expense	5,941,902		0		(5,941,902)
Property Tax Expense	5,013,530		0		(5,013,530)
Amortization	0		0		0
Total Expense	16,567,991		106,126,468		(122,694,459)
<b>Income Tax</b>					
Equity Return	18,215,092		0		(18,215,092)
Book Depreciation	5,612,558		0		(5,612,558)
Deferred Taxes	5,941,902		0		(5,941,902)
Avoided Tax Interest	3,548,735		0		(3,548,735)
Less: Tax Depreciation	(23,710,896)		0		23,710,896
Less: PTC (Gross-Up)	0		0		0
Less: Removal Costs	0		0		0
Total Basis	9,607,391		0		(9,607,391)
Income Tax Factor (t/(1-t))	0.7056		0.7056		0.7056
Income Tax Revenue Req	6,779,085		0		(6,779,085)
Total Revenue Requirement	48,112,323		(10,526,346)		(37,585,977)
Less Revenues	0		37,896,378		37,896,378
Impact to COSS Def of removing rider	(48,112,323)		48,422,724		(310,401)
Impact of rolling rider into COSS	48,112,323		(48,422,724)		310,401





Northern States Power Company, a Minnesota Corporation  
2016 Budget Adjustment Worksheet  
Remove WindSource from 2016 Budget

Purpose: This adjustment removes the revenues and operating expenses associated with the WindSource program from the test year. Wind Source is a stand alone program offered in Minnesota, and all costs are direct as

Reason	FERC	Description	JDE BU	BU Description	Allocation Method	PTD	Dec-15	Dec - 2016	
								Total	NSPM MN Electric Retail
<b>REMOVE Purchased Power</b>									
WindSource from 2016 Budget	555	Purchased Power Elec	371120	CF-MN Energy Marketing	Direct MN	P	\$ (5,532,178)	\$ (5,254,070)	\$ (5,254,070)
<b>TOTAL PURCHASED POWER ELEC</b>						P	<u>\$ (5,532,178)</u>	<u>\$ (5,254,070)</u>	<u>\$ (5,254,070)</u>
<b>REMOVE Payroll Tax &amp; O&amp;M</b>									
Marketing & Administrative Costs (from ALS)	408	Payroll Taxes L E	463035	MKT WindSource Mktg MN	Direct MN	D	(2,223)	(1,765)	(1,765)
	908	Customer Information	463035	MKT WindSource Mktg MN	Direct MN	D	(38,064)	(28,911)	(28,911)
	909	Customer Information	463035	MKT WindSource Mktg MN	Direct MN	D	(210,932)	(218,654)	(218,654)
		<b>Total Customer Information</b>				D	<u>(248,996)</u>	<u>(247,565)</u>	<u>(247,565)</u>
	925	A&G Injures & Damages LA E	463035	MKT WindSource Mktg MN	Direct MN	D	(76)	(39)	(39)
	926	Labor Load Insurance & Pension	463035	MKT WindSource Mktg MN	Direct MN	D	(8,334)	(6,435)	(6,435)
	931	A&G Rents NL E	463035	MKT WindSource Mktg MN	Direct MN	D	(2,520)	(2,922)	(2,922)
						D	<u>(10,930)</u>	<u>(9,396)</u>	<u>(9,396)</u>
<b>TOTAL PAYROLL TAX &amp; O&amp;M</b>						D	<u>(262,149)</u>	<u>(258,726)</u>	<u>(258,726)</u>
<b>REMOVE Revenue</b>									
Remove WindSource Revenue	456	Other Electric Revenue	519390		Direct MN		\$ (5,485,696)	\$ (5,144,620)	\$ (5,144,620)
<b>TOTAL REVENUE</b>							<u>\$ (5,485,696)</u>	<u>\$ (5,144,620)</u>	<u>\$ (5,144,620)</u>
<b>ADD BACK</b>									
Avoided Capacity Costs	555	Purchased Power Elec	0.00426	kWhSales 127,158,106	Energy	P	\$ 578,569	\$ 578,569	\$ 578,569
<b>TOTAL PURCHASED POWER ELEC</b>						P	<u>\$ 578,569</u>	<u>\$ 578,569</u>	<u>\$ 578,569</u>
Adjustment for Payroll Taxes								\$ (1,765)	\$ (1,765)
Adjustment Due to O&M Expenses								\$ (256,961)	\$ (256,961)
Adjustment to Net Cost of Goods and Revenue								\$ (109,450)	\$ (109,450)
Adjustment for Avoided Capacity								\$ 578,569	\$ 578,569
<b>TOTAL NET REVENUE REQUIREMENT ADJUSTMENT</b>								<u>\$ 210,393</u>	<u>\$ 210,393</u>

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## WINDSOURCE O&amp;M EXPENSES

Utility	Account Major	CC1 Business Area - Unallocated	FERC Function	BU Unallocated	Labor Designator	Posting Object Account	Jurisdictional Allocator	Dec - 2016		Subledger Code	BU Allocated
								Total	NSPM MN Electric Retail		
NSPM Electric	408.3-Payroll Taxes	Corporate Services	Taxes Other Than Income	413011-Customer Experience Mktg	Labor	764000-Payroll Taxes	NSPM EDirectMN SubTOTAL	1,765 1,765	1,765 1,765	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	413011-Customer Experience Mktg	Labor	711142-Productive Labor	NSPM EDirectMN	20,100	20,100	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	413011-Customer Experience Mktg	Labor	711143-Reg Labor Loading-NonProductiv	NSPM EDirectMN	4,111	4,111	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	413011-Customer Experience Mktg	Labor	711146-Prod Lab-Attrit (frmlly Taxes)	NSPM EDirectMN	(804)	(804)	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	413011-Customer Experience Mktg	Labor	711160-Reg Labor Load-Incentive	NSPM EDirectMN	2,766	2,766	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	463035-MKT WindSource Mktg MN	Non-Labor	713000-Consulting/Prof Svcs-Other	NSPM EDirectMN	2,727	2,727	00000000-PERFORM MONTHLY SUBSTATION CHE	463035-MKT WindSource Mktg MN
NSPM Electric	908-Customer Asst Expense	Corporate Services	Customer Service	463035-MKT WindSource Mktg MN	Non-Labor	723400-Postage	NSPM EDirectMN	11	11	00000000-PERFORM MONTHLY SUBSTATION CHE	463035-MKT WindSource Mktg MN
NSPM Electric	909-Cust Serv Instruct Adver	Corporate Services	Customer Service	463035-MKT WindSource Mktg MN	Non-Labor	723760-Customer Program Promotion	NSPM EDirectMN SubTOTAL	218,654 247,565	218,654 247,565	00000000-PERFORM MONTHLY SUBSTATION CHE	463035-MKT WindSource Mktg MN
NSPM Electric	925-A&G Injuries & Damages	Corporate Services	A&G	413011-Customer Experience Mktg	Labor	711149-Reg Labor Loading-Inj & Dam	NSPM EDirectMN	39	39	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	926-A&G Pen & Ben	Corporate Services	A&G	413011-Customer Experience Mktg	Labor	711144-Reg Labor Loading-Pension&401K	NSPM EDirectMN	3,031	3,031	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	926-A&G Pen & Ben	Corporate Services	A&G	413011-Customer Experience Mktg	Labor	711145-Reg Labor Loading-Insurance	NSPM EDirectMN	3,404	3,404	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
NSPM Electric	931-A&G Rents	Corporate Services	A&G	500086-Facilities Billing - NSPM	Non-Labor	723144-Equip Rental-Cust Care	NSPM EDirectMN SubTOTAL	2,922 9,396	2,922 9,396	00463035-MKT WindSource Mktg MN	463035-MKT WindSource Mktg MN
TOTAL								258,726	258,726		

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Northern States Power Company, a Minnesota Corporation  
 Electric Utility - Minnesota  
 Test Year Ending December 31, 2016  
 Windsource Capacity Credit

Docket No. E002/GR-15-826  
 Exhibit No. \_\_\_\_\_(MAP-1)  
 Schedule 10

[1]	Annual Carrying Costs (Line 1 * Line 2)	\$90.59 / kW
[2]	<u>MISO Accredited Capacity per kW of Wind Capacity</u> <sup>1</sup>	<u>14.70%</u>
[3]	Costs Avoided (Line 3 * Line 4)	\$13.32
[4]	Avg Annual Capacity Factor	35.16%
[5]	Availability Factor	95%
[6]	<u>Hour/Year</u>	<u>8,760</u>
[7]	Annual Hour of Operation (Line 6 * Line 7 * Line 8)	2,926
[8]	<b>Capacity Credit \$ per kWh (Line 5 / Line 9)</b>	<b>\$0.00455 / kWh</b>
[9]	2014 Windsource Generation Forecast (kWh)	127,158,106
[10]	2014 Windsource Capacity Credit (Line 10 * Line 11) <sup>2</sup>	<b>\$578,569</b>

<sup>1</sup> Source: "Midwest ISO Planning Year 2015-2016 LOLE Study Report"; November 2012

<sup>2</sup> This Windsource Credit is included in the TY2016 Revenue Requirement

## MINNESOTA WINDSOURCE FORECAST

	2009	2010	2011	2012	2013	2014	2015	2016
<b>Historical/Estimated MWh Sales</b>								
Residential	89,698	89,797	90,498	88,413	91,301	99,380	100,373	101,377
C&I	57,687	71,239	77,943	86,535	78,883	74,457	52,574	44,363
<b>Total</b>	<b>147,385</b>	<b>161,036</b>	<b>168,441</b>	<b>174,948</b>	<b>170,185</b>	<b>173,837</b>	<b>152,948</b>	<b>145,740</b>
Growth		9%	5%	4%	-3%	2%	-12%	-5%

<b>Historical/Estimated Revenue</b>								
Residential						\$ 3,508,099	\$ 3,543,180	\$ 3,578,612
C&I						\$ 2,628,345	\$ 1,855,870	\$ 1,566,008
<b>Total</b>	<b>\$5,203,204</b>	<b>\$5,684,576</b>	<b>\$5,949,537</b>	<b>\$6,175,340</b>	<b>\$6,007,533</b>	<b>\$ 6,136,444</b>	<b>\$ 5,399,050</b>	<b>\$ 5,144,620</b>

	January 8%	February 8%	March 8%	April 8%	May 8%	June 8%	July 9%	August 10%	September 9%	October 8%	November 8%	December 8%	Total
<b>Estimated kWh</b>													
2015	12,860,160	11,753,789	12,453,205	11,528,830	12,861,681	11,727,452	14,068,306	15,041,318	13,506,166	12,860,350	11,504,871	12,781,461	152,947,589
2016	12,254,125	11,199,892	11,866,348	10,985,534	12,255,575	11,174,796	13,405,337	14,332,496	12,869,688	12,254,306	10,962,704	12,179,135	145,739,936
<b>Estimated Revenue</b>													
2015 Bridge	\$ 717,949	\$ 383,128	\$ 486,596	\$ 478,571	\$ 355,637	\$ 248,199	\$ 496,611	\$ 530,959	\$ 476,768	\$ 453,970	\$ 406,122	\$ 451,186	\$ 5,485,696
2016	\$ 432,571	\$ 395,356	\$ 418,882	\$ 387,789	\$ 432,622	\$ 394,470	\$ 473,208	\$ 505,937	\$ 454,300	\$ 432,577	\$ 386,983	\$ 429,923	\$ 5,144,620

## WINDSOURCE FUEL COSTS

Section	Entity	Variable	Annual
NSP 15.04.01 NSPW 2016	Wind Source Cisco	Cost (\$000)	\$ 1,420
NSP 15.04.01 NSPW 2016	Wind Source Garwin McNeilus	Cost (\$000)	\$ 709
NSP 15.04.01 NSPW 2016	Wind Source JJN	Cost (\$000)	\$ 106
NSP 15.04.01 NSPW 2016	Wind Source MinWind	Cost (\$000)	\$ 1,020
NSP 15.04.01 NSPW 2016	Wind Source West Ridge	Cost (\$000)	\$ 924
	<b>Total</b>		<b>\$ 4,141</b>

Section	Entity	Variable	Annual
NSP 15.04.01 NSPW 2016	Wind Source Cisco	Generation (GWh)	28
NSP 15.04.01 NSPW 2016	Wind Source Garwin McNeilus	Generation (GWh)	22
NSP 15.04.01 NSPW 2016	Wind Source JJN	Generation (GWh)	3
NSP 15.04.01 NSPW 2016	Wind Source MinWind	Generation (GWh)	31
NSP 15.04.01 NSPW 2016	Wind Source West Ridge	Generation (GWh)	27
	<b>Total</b>		<b>111</b>

Section	Entity	Variable	Annual
NSP 15.04.01 NSPW 2016	Wind Moraine II	Cost (\$000)	\$ 9,536
NSP 15.04.01 NSPW 2016	Wind Moraine II	Generation (GWh)	164
	x% Moraine II	Fuel Cost (\$000)	\$ 289
	x% Moraine II	Generation (GWh)	5

WindSource Projects		Annual
Wind Moraine II	\$/MWh	\$ 57.98
Wind Source Cisco	\$/MWh	\$ 49.88
Wind Source Garwin McNeilus	\$/MWh	\$ 32.36
Wind Source JJN	\$/MWh	\$ 33.50
Wind Source MinWind	\$/MWh	\$ 33.00
Wind Source West Ridge	\$/MWh	\$ 34.00
<b>Total</b>	<b>\$/MWh</b>	<b>\$ 38.33</b>

Total NSP-Resource Cost	\$000	\$ 4,429
Total NSP-Resource Sales	GWh	116
Total NSP-Resource \$/MWh	\$/MWh	\$ 38.33

Fuel Cost assigned to REC's	\$000	\$ 825
	GWh	30
	\$/MWh	\$ 27.33

		Annual
Windsorce Cost	\$000	\$ 5,254
Windsorce Sales	GWh	146
Windsorce Rate	\$/MWh	<b>\$ 36.05</b>

## FILTERED ON WINDSOURCE REMOVAL

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Sysr		MN Electric
		Dec - 2016
<b>Operating Revenues</b>		
Retail		
Interdepartmental		
Other Operating Rev - Non-Retail		(5,144,620)
<b>Total Operating Revenues</b>		<b>(5,144,620)</b>
<b>Expenses</b>		
Operating Expenses:		
Fuel		
Deferred Fuel		
Variable IA Production Fuel		
Purchased Energy - Windsource		(4,675,500)
<b>Fuel &amp; Purchased Energy Total</b>		<b>(4,675,500)</b>
Production - Fixed		
Production - Fixed IA Investment		
Production - Fixed IA O&M		
Production - Variable		
Production - Variable IA O&M		
Production - Purchased Demand		0
Production Total		
Regional Markets		
Transmission IA		
Transmission		
Distribution		
Customer Accounting		
Customer Service & Information		(247,565)
Sales, Econ Dvlp & Other		(9,396)
<b>Administrative &amp; General</b>		<b>(4,932,461)</b>
<b>Total Operating Expenses</b>		<b>(4,932,461)</b>
Depreciation		
Amortization		
<b>Taxes:</b>		
Property Taxes		
ITC Amortization		
Deferred Taxes		
Deferred Taxes - NOL		
Less Deferred State Tax Credits		0
Less Deferred Federal Tax Credits		
Deferred Income Tax & ITC		
Payroll & Other Taxes		(1,765)
<b>Total Taxes Other Than Income</b>		<b>(1,765)</b>
<b>Income Before Taxes</b>		
Total Operating Revenues		(5,144,620)
Less: Total Operating Expenses		(4,932,461)
Book Depreciation		
Amortization		
Taxes Other than Income		(1,765)
<b>Total Before Tax Book Income</b>		<b>(210,393)</b>
<b>Tax Additions</b>		
Book Depreciation		
Deferred Income Taxes and ITC		
Nuclear Fuel Burn (ex. D&D)		
Nuclear Outage Accounting		
Avoided Tax Interest		
Other Book Additions		
<b>Total Tax Additions</b>		
<b>Tax Deductions</b>		
Total Rate Base		
Weighted Cost of Debt		2.24%
Debt Interest Expense		
Nuclear Outage Accounting		
Tax Depreciation and Removals		
NOL Generated		
NOL Utilized		0
Other Tax / Book Timing Differences		
<b>Total Tax Deductions</b>		
<b>State Taxes</b>		
State Taxable Income		(210,393)
State Income Tax Rate		9.80%
State Taxes before Credits		(20,619)
Less State Tax Credits		
Deferred State Tax Credits due to NOL		0
<b>Total State Income Taxes</b>		<b>(20,619)</b>
<b>Federal Taxes</b>		
Federal Sec 199 Production Deduction		
Federal Taxable Income		(189,774)
Federal Income Tax Rate		35.00%
Federal Tax before Credits		(66,421)
Less Federal Tax Credits		
Deferred Federal Tax Credits due to NOL		0
<b>Total Federal Income Taxes</b>		<b>(66,421)</b>
<b>Total Taxes</b>		<b>(1,765)</b>
<b>Total Taxes Other than Income</b>		<b>(1,765)</b>
<b>Total Federal and State Income Taxes</b>		<b>(87,040)</b>
<b>Total Taxes</b>		<b>(88,805)</b>
<b>Total Operating Revenues</b>		<b>(5,144,620)</b>
<b>Total Expenses</b>		<b>(5,021,266)</b>
AFDC Debt		
AFDC Equity		
<b>Net Income</b>		<b>(123,353)</b>
<b>Rate of Return (ROR)</b>		
Total Operating Income		(123,353)
Total Rate Base		
<b>ROR (Operating Income / Rate Base)</b>		
<b>Return on Equity (ROE)</b>		
Net Operating Income		(123,353)
Debt Interest (Rate Base * Weighted Cost of Debt)		
Earnings Available for Common		(123,353)
Equity Rate Base (Rate Base * Equity Ratio)		
<b>ROE (Earnings for Common / Equity)</b>		
<b>Revenue Deficiency</b>		
Required Operating Income (Rate Base * Required Return)		
<b>Net Operating Income</b>		<b>(123,353)</b>
<b>Operating Income Deficiency</b>		<b>123,353</b>
Revenue Conversion Factor (1/(1-Composite Tax Rate))		1.705611
<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>		<b>210,393</b>



NSPM Minnesota Retail - Electric  
 IRS Pro-Rate Method Accumulated Deferred Tax Adjustment  
 Including NOL Annual Deferred at Last Authorized Rate of Return  
 Test Year Ending December 31, 2016

At Last Authorized ROE

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 Exhibit (AEH-1) Schedule 23  
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RIS Annual Deferred Tax Expense			111,135,327		95,083,231		120,693,096		2016 215,776,327	
	Days to Prorate	Prorate Factor	Total Company Plant Deferred *	Total Company Prorated Plant Deferred *	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction NOL	MN Jurisdiction Prorated NOL	Monthly Expense	Prorated Monthly Expense
January	335	91.78%	9,261,277	8,500,076	7,923,603	7,272,348	10,057,758	9,231,093	17,981,361	16,503,441
February	307	84.11%	9,261,277	7,789,622	7,923,603	6,664,510	10,057,758	8,459,539	17,981,361	15,124,049
March	276	75.62%	9,261,277	7,003,048	7,923,603	5,991,546	10,057,758	7,605,318	17,981,361	13,596,864
April	246	67.40%	9,261,277	6,241,847	7,923,603	5,340,291	10,057,758	6,778,653	17,981,361	12,118,944
May	215	58.90%	9,261,277	5,455,273	7,923,603	4,667,328	10,057,758	5,924,433	17,981,361	10,591,760
June	185	50.68%	9,261,277	4,694,072	7,923,603	4,016,073	10,057,758	5,097,768	17,981,361	9,113,840
July	154	42.19%	9,261,277	3,907,498	7,923,603	3,343,109	10,057,758	4,243,547	17,981,361	7,586,656
August	123	33.70%	9,261,277	3,120,924	7,923,603	2,670,146	10,057,758	3,389,327	17,981,361	6,059,472
September	93	25.48%	9,261,277	2,359,723	7,923,603	2,018,891	10,057,758	2,562,662	17,981,361	4,581,552
October	62	16.99%	9,261,277	1,573,148	7,923,603	1,345,927	10,057,758	1,708,441	17,981,361	3,054,368
November	32	8.77%	9,261,277	811,948	7,923,603	694,672	10,057,758	881,776	17,981,361	1,576,448
December	1	0.27%	9,261,277	25,373	7,923,603	21,709	10,057,758	27,556	17,981,361	42,264
Total Days									Total	99,956,659
Pro-Rate Method BOY/EOY Average										49,978,330
BOY/EOY Average										107,888,164
Rate Base Adjustment										57,909,834
Composite Tax Rate										41.37%
Weighted Cost of STD										0.02%
Weighted Cost of LTD										2.22%
Weighted Cost of Debt										2.24%
Weighted Cost of Equity										5.10%
Required Rate of Return										7.34%
Equity Return Tax RR										3.60%
RB Revenue Requirement Factor										10.94%
Annual Revenue Requirement Impact										6,334,536



NSPM Minnesota Retail - Electric  
 IRS Pro-Rate Method Accumulated Deferred Tax Adjustment  
 Including NOL Annual Deferred  
 Test Year Ending December 31, 2016  
 Calculated at requested ROE

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RIS Annual Deferred Tax Expense			111,135,327		95,083,231		120,693,096		2016 215,776,327	
	Days to Prorate	Prorate Factor	Total Company Plant Deferred *	Total Company Prorated Plant Deferred *	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction NOL	MN Jurisdiction Prorated NOL	Monthly Expense	Prorated Monthly Expense
January	335	91.78%	9,261,277	8,525,450	7,923,603	7,272,348	10,057,758	9,231,093	17,981,361	16,503,441
February	307	84.11%	9,261,277	7,789,622	7,923,603	6,664,510	10,057,758	8,459,539	17,981,361	15,124,049
March	276	75.62%	9,261,277	7,003,048	7,923,603	5,991,546	10,057,758	7,605,318	17,981,361	13,596,864
April	246	67.40%	9,261,277	6,241,847	7,923,603	5,340,291	10,057,758	6,778,653	17,981,361	12,118,944
May	215	58.90%	9,261,277	5,455,273	7,923,603	4,667,328	10,057,758	5,924,433	17,981,361	10,591,760
June	185	50.68%	9,261,277	4,694,072	7,923,603	4,016,073	10,057,758	5,097,768	17,981,361	9,113,840
July	154	42.19%	9,261,277	3,907,498	7,923,603	3,343,109	10,057,758	4,243,547	17,981,361	7,586,656
August	123	33.70%	9,261,277	3,120,924	7,923,603	2,670,146	10,057,758	3,389,327	17,981,361	6,059,472
September	93	25.48%	9,261,277	2,359,723	7,923,603	2,018,891	10,057,758	2,562,662	17,981,361	4,581,552
October	62	16.99%	9,261,277	1,573,148	7,923,603	1,345,927	10,057,758	1,708,441	17,981,361	3,054,368
November	32	8.77%	9,261,277	811,948	7,923,603	694,672	10,057,758	881,776	17,981,361	1,576,448
December	1	0.27%	9,261,277	25,373	7,923,603	21,709	10,057,758	27,556	17,981,361	49,264
Total Days									Total	99,956,659
Pro-Rate Method BOY/EOY Average										49,978,330
BOY/EOY Average										107,888,164
Rate Base Adjustment										57,909,834
Composite Tax Rate										41.37%
Weighted Cost of STD										0.02%
Weighted Cost of LTD										2.22%
Weighted Cost of Debt										2.24%
Weighted Cost of Equity										5.25%
Required Rate of Return										7.49%
Equity Return Tax RR										3.70%
RB Revenue Requirement Factor										11.19%
Annual Revenue Requirement Impact										6,482,693

NSPM Minnesota Retail - Electric  
 IRS Pro-Rate Method Accumulated Deferred Tax Adjustment  
 Including NOL Annual Deferred  
 Period Ending December 31, 2017

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RIS Annual Deferred Tax Expense		77,182,080		62,998,563		0		2017	
	Days to Prorate	Prorate Factor	Total Company Plant Deferred *	Total Company Prorated Plant Deferred *	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction NOL	MN Jurisdiction Prorated NOL	Monthly Expense
January	335	91.78%	6,431,840	5,903,196	5,249,880	4,818,383	-	-	5,249,880
February	307	84.11%	6,431,840	5,409,794	5,249,880	4,415,653	-	-	5,249,880
March	276	75.62%	6,431,840	4,863,528	5,249,880	3,969,772	-	-	5,249,880
April	246	67.40%	6,431,840	4,334,884	5,249,880	3,538,275	-	-	5,249,880
May	215	58.90%	6,431,840	3,788,618	5,249,880	3,092,395	-	-	5,249,880
June	185	50.68%	6,431,840	3,259,974	5,249,880	2,660,898	-	-	5,249,880
July	154	42.19%	6,431,840	2,713,708	5,249,880	2,215,018	-	-	5,249,880
August	123	33.70%	6,431,840	2,167,442	5,249,880	1,769,138	-	-	5,249,880
September	93	25.48%	6,431,840	1,638,798	5,249,880	1,337,641	-	-	5,249,880
October	62	16.99%	6,431,840	1,092,532	5,249,880	891,760	-	-	5,249,880
November	32	8.77%	6,431,840	563,887	5,249,880	460,263	-	-	5,249,880
December	1	0.27%	6,431,840	17,621	5,249,880	14,383	-	-	5,249,880
Total Days									Total

14,591,791  
 31,499,282  
 16,907,491

Pro-Rate Method BOY/EOY Average  
 BOY/EOY Average  
 Rate Base Adjustment

	<u>Requested</u>	<u>Last Authorized</u>
Composite Tax Rate	41.37%	41.37%
Weighted Cost of STD	0.05%	0.05%
Weighted Cost of LTD	2.21%	2.21%
Weighted Cost of Debt	2.26%	2.26%
<u>Weighted Cost of Equity</u>	<u>5.25%</u>	<u>5.10%</u>
<b>Required Rate of Return</b>	<b>7.51%</b>	<b>7.36%</b>
Equity Return Tax RR	<u>3.70%</u>	<u>3.60%</u>
RB Revenue Requirement Factor	11.21%	10.96%
Annual Revenue Requirement Impact	1,896,084	1,852,827

\* Tie to Exhibit\_\_(LHP-1), Schedule 11

A38-3

NSPM Minnesota Retail - Electric  
 IRS Pro-Rate Method Accumulated Deferred Tax Adjustment  
 Including NOL Annual Deferred  
 Period Ending December 31, 2018

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RIS Annual Deferred Tax Expense		73,263,890		60,234,388		0		2018 60,234,388	
	Days to Prorate	Prorate Factor	Total Company Plant Deferred *	Total Company Prorated Plant Deferred *	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction Prorated Plant Deferred	MN Jurisdiction NOL	MN Jurisdiction Prorated NOL	Monthly Expense
January	335	91.78%	6,105,324	5,603,517	5,019,532	4,606,968	-	-	5,019,532
February	307	84.11%	6,105,324	5,135,163	5,019,532	4,221,908	-	-	5,019,532
March	276	75.62%	6,105,324	4,616,629	5,019,532	3,795,592	-	-	5,019,532
April	246	67.40%	6,105,324	4,114,821	5,019,532	3,383,027	-	-	5,019,532
May	215	58.90%	6,105,324	3,596,287	5,019,532	2,956,711	-	-	5,019,532
June	185	50.68%	6,105,324	3,094,479	5,019,532	2,544,147	-	-	5,019,532
July	154	42.19%	6,105,324	2,575,945	5,019,532	2,117,830	-	-	5,019,532
August	123	33.70%	6,105,324	2,057,411	5,019,532	1,691,514	-	-	5,019,532
September	93	25.48%	6,105,324	1,555,603	5,019,532	1,278,949	-	-	5,019,532
October	62	16.99%	6,105,324	1,037,069	5,019,532	852,633	-	-	5,019,532
November	32	8.77%	6,105,324	535,261	5,019,532	440,069	-	-	5,019,532
December	1	0.27%	6,105,324	16,727	5,019,532	13,752	-	-	5,019,532
Total Days									Total

Pro-Rate Method BOY/EOY Average 13,951,549  
 BOY/EOY Average 30,117,194  
 Rate Base Adjustment 16,165,645

	<u>Requested</u>	<u>Last Authorized</u>
Composite Tax Rate	41.37%	41.37%
Weighted Cost of STD	0.05%	0.05%
Weighted Cost of LTD	2.21%	2.21%
Weighted Cost of Debt	2.26%	2.26%
<u>Weighted Cost of Equity</u>	<u>5.25%</u>	<u>5.10%</u>
<b>Required Rate of Return</b>	<b>7.51%</b>	<b>7.36%</b>
Equity Return Tax RR	<u>3.70%</u>	<u>3.60%</u>
RB Revenue Requirement Factor	11.21%	10.96%
Annual Revenue Requirement Impact	1,812,890	1,771,531

\* Tie to Exhibit\_\_ (LHP-1), Schedule 11

A38-4

A38-5

2016 Annual Deferred Taxes			
	Total	Non-Plant	Plant
Unadjusted Base - Total Company	145,798,321	4,393,695	141,404,626 Ties to LHP-1, Schedule 11
<u>Adjustments</u>			
Common Allocated to Gas	(592,982)	-	(592,982)
Black Dog Screenhouse	(4,279)	-	(4,279)
New Business CIAC	(6,919)	-	(6,919)
Remaining Life Study	(589,072)	-	(589,072)
Nuclear Outage COA	(9,901,118)	-	(9,901,118)
Nuclear Fuel Update	60,783	-	60,783
PI EPU Recovery	(1,179,012)	-	(1,179,012)
Sherco Unit 3	(205,349)	-	(205,349)
RES Rider	(15,200,179)	-	(15,200,179)
TCA Rider	(2,651,172)	-	(2,651,172)
Base Adjusted - Total Company	115,529,022	4,393,695	111,135,327 Ties to AEH-1, Schedule 23
Other	(16,606,676)	(554,580)	(16,052,095)
MN Only - Total Company	98,922,346	3,839,115	95,083,231 Ties to AEH-1, Schedule 23
NOL	120,693,096	-	120,693,096
	219,615,442	3,839,115	215,776,327 Ties to AEH-1, Schedule 23

2017 Annual Deferred Taxes			
	Total	Non-Plant	Plant
Unadjusted Base - Total Company	104,219,392	4,636,418	99,582,975 Ties to LHP-1, Schedule 11
<u>Adjustments</u>			
Common Allocated to Gas	(1,621,162)	-	(1,621,162)
Black Dog Screenhouse	44,130	-	44,130
New Business CIAC	(6,925)	-	(6,925)
Remaining Life Study	253,327	-	253,327
Nuclear Outage COA	7,529,655	-	7,529,655
Nuclear Fuel Update	36,470	-	36,470
PI EPU Recovery	(1,179,012)	-	(1,179,012)
Sherco Unit 3	(205,349)	-	(205,349)
RES Rider	(24,136,996)	-	(24,136,996)
TCA Rider	(3,115,032)	-	(3,115,032)
Base Adjusted - Total Company	81,818,498	4,636,418	77,182,080 Ties to 2017 Workpaper
Other	(14,768,753)	(585,236)	(14,183,517)
MN Only - Total Company	67,049,745	4,051,182	62,998,563 Ties to 2017 Workpaper
NOL	67,049,745	-	67,049,745
	67,049,745	4,051,182	62,998,563 Ties to 2017 Workpaper

2018 Annual Deferred Taxes			
	Total	Non-Plant	Plant
Unadjusted Base - Total Company	113,716,525	5,321,634	108,394,892 Ties to LHP-1, Schedule 11
<u>Adjustments</u>			
Common Allocated to Gas	(1,944,213)	-	(1,944,213)
Black Dog Screenhouse	(11,610)	-	(11,610)
New Business CIAC	(6,925)	-	(6,925)
Remaining Life Study	(4,834,171)	-	(4,834,171)
Nuclear Outage COA	(7,902,291)	-	(7,902,291)
Nuclear Fuel Update	21,882	-	21,882
PI EPU Recovery	(1,179,012)	-	(1,179,012)
Sherco Unit 3	(205,349)	-	(205,349)
RES Rider	(13,127,411)	-	(13,127,411)
TCA Rider	(5,941,902)	-	(5,941,902)
Base Adjusted - Total Company	78,585,524	5,321,634	73,263,890 Ties to 2018 Workpaper
Other	(13,701,437)	(671,935)	(13,029,502)
MN Only - Total Company	64,884,087	4,649,699	60,234,388 Ties to 2018 Workpaper
NOL	64,884,087	-	64,884,087
	64,884,087	4,649,699	60,234,388 Ties to 2018 Workpaper