

NSPM Minnesota Retail - Electric
Including NOL Annual Deferred

			2015			2016			2017			2018			2019			2020		
RIS Annual Deferred Tax Expense			179,729,756			215,776,327			62,998,563			60,234,388			45,119,024			(6,850,789)		
31 Jan	335	0.917808	14,977,480	13,746,454	17,981,361	16,503,441	5,249,880	4,818,383	5,019,532	4,606,968	3,759,919	3,450,884	(570,899)	(523,976)						
28 Feb	307	0.841096	14,977,480	12,597,497	17,981,361	15,124,049	5,249,880	4,415,653	5,019,532	4,221,908	3,759,919	3,162,452	(570,899)	(480,181)						
31 Mar	276	0.756164	14,977,480	11,325,437	17,981,361	13,596,864	5,249,880	3,969,772	5,019,532	3,795,592	3,759,919	2,843,117	(570,899)	(431,694)						
30 Apr	246	0.673973	14,977,480	10,094,411	17,981,361	12,118,944	5,249,880	3,538,275	5,019,532	3,383,027	3,759,919	2,534,082	(570,899)	(384,770)						
31 May	215	0.589041	14,977,480	8,822,351	17,981,361	10,591,760	5,249,880	3,092,395	5,019,532	2,956,711	3,759,919	2,214,747	(570,899)	(336,283)						
30 Jun	185	0.506849	14,977,480	7,591,325	17,981,361	9,113,840	5,249,880	2,660,898	5,019,532	2,544,147	3,759,919	1,905,712	(570,899)	(289,360)						
31 Jul	154	0.421918	14,977,480	6,319,265	17,981,361	7,586,656	5,249,880	2,215,018	5,019,532	2,117,830	3,759,919	1,586,377	(570,899)	(240,872)						
31 Aug	123	0.336986	14,977,480	5,047,205	17,981,361	6,059,472	5,249,880	1,769,138	5,019,532	1,691,514	3,759,919	1,267,041	(570,899)	(192,385)						
30 Sep	93	0.254795	14,977,480	3,816,180	17,981,361	4,581,552	5,249,880	1,337,641	5,019,532	1,278,949	3,759,919	958,007	(570,899)	(145,462)						
31 Oct	62	0.169863	14,977,480	2,544,120	17,981,361	3,054,368	5,249,880	891,760	5,019,532	852,633	3,759,919	638,671	(570,899)	(96,975)						
30 Nov	32	0.087671	14,977,480	1,313,094	17,981,361	1,576,448	5,249,880	460,263	5,019,532	440,069	3,759,919	329,637	(570,899)	(50,051)						
31 Dec	1	0.002740	14,977,480	41,034	17,981,361	49,264	5,249,880	14,383	5,019,532	13,752	3,759,919	10,301	(570,899)	(1,564)						
365	0.268378995	0.536758	96,471,383	83,258,373		99,956,659		29,183,581		27,903,099		20,901,028		(3,173,573)						
	Pro-Rate Method BOY/EOY Average		41,629,187			49,978,330		14,591,791		13,951,549		10,450,514		(1,586,787)						
	0.268378995 BOY/EOY Average		89,864,878			107,888,164		31,499,282		30,117,194		22,559,512		(3,425,395)						
	48235691.25 Rate Base Adjustment		48,235,691			57,909,834		16,907,491		16,165,645		12,108,998		(1,838,608)						
	RIS Check		48,235,691			57,909,834		16,907,491		16,165,644		12,108,998		-1,838,609						
	Difference		0			0		0		0		0		-1						
Composite Tax Rate			0.4137																	
	Weighted Cost of STD			0.02%	0.02%			0.05%		0.05%		0.07%		0.08%						
	Weighted Cost of LTD			2.22%	2.22%			2.21%		2.21%		2.18%		2.20%						
	Weighted Cost of Debt			2.24%	2.24%			2.26%		2.26%		2.25%		2.28%						
	Weighted Cost of Equity			5.25%	5.25%			5.25%		5.25%		5.25%		5.25%						
	Required Rate of Return			7.49%	7.49%			7.51%		7.51%		7.50%		7.53%						
	Equity Return Tax RR			3.70%	3.70%			3.70%		3.70%		3.70%		3.70%						
	RB Revenue Requirement Factor		11.19%		11.19%			11.21%		11.21%		11.20%		11.23%						
	Rev Req Impact		5,399,725		6,482,693		1,896,084		1,812,890		1,356,748		(206,558)							
	RIS Check		5,399,725		6,482,693		1,896,084		1,812,890		1,356,748		-206,558							
	Difference		0		0		0		0		0		0							
RIS Input Data			2015	2016	2017	2018	2019	2020												
Annual Deferred - Basic			140,005,132	95,083,231	62,998,563	60,234,388	45,119,024	(6,850,789)												
Annual Deferred NOL			39,724,624	120,693,096																
Total			179,729,756	215,776,327	62,998,563	60,234,388	45,119,024	(6,850,789)												

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Cash Working Capital

This bridge schedule column represents the change in Cash Working Capital due to adjustments

Total Unadjusted CWC	(121,169,898) a	
CWC on Adjustments	13,041,295 $f=b-a$	
Total Adjusted CWC	(108,128,603) b	reference: AEH-1 Schedule 4, page 5
Return Calculation	957,231 $g=f * e$	
Income Tax Deductions	292,125 $h=f * (c + d)$	
Income Tax Impact	120,852 $i=h * 41.37\%$	
Income Deficiency	836,379 $j=g - i$	
Tax Gross-Up Factor	1.705611462 k	
Total Impact	<u>1,426,538</u> $l=j * k$	

Cap Structure Proposed

	Ratio	Cost	Weighted Cost
Short Term Debt	1.26%	1.84%	0.02% c
Long Term Debt	46.24%	4.81%	2.22% d
Common Equity	52.50%	9.72%	5.10%
Required Rate of Return	<u>100.00%</u>		<u>7.34% e</u>

Line No.	Cash Working Capital	A	B = C - A	C	D = E - C	E
		2016	2017/2016	2017	2018/2017	2018
1	Cash Working Capital	(108,129)	(3,756)	(111,884)	(3,830)	(115,714)
2						
3	Total Average Rate Base	(108,129)	(3,756)	(111,884)	(3,830)	(115,714)
4						
5	Operating Revenues					
6	Other Operating					
7	Total Revenue					
8						
9	Taxes					
10	Deferred Income Tax and ITC					
11	Federal and State Income Tax	1,002	35	1,046	36	1,082
12	Total Taxes	1,002	35	1,046	36	1,082
13						
14	Total Expenses	1,002	35	1,046	36	1,082
15						
16	Total Operating Income	(1,002)	(35)	(1,046)	(36)	(1,082)
17						
18	Calculation of Revenue Requirements					
19	Rate Base	(108,129)	(3,756)	(111,884)	(3,830)	(115,714)
20	Required Operating Income	(8,099)	(281)	(8,403)	(288)	(8,690)
21	Operating Income	(1,002)	(35)	(1,046)	(36)	(1,082)
22	Income Deficiency	(7,097)	(246)	(7,356)	(252)	(7,608)
23	Revenue Deficiency	(12,104)	(420)	(12,547)	(429)	(12,977)
24						
25	Calculation of Income Taxes					
26	Operating Revenue					
27						
28	Operating Income Before Adjs					
29	Deductions from Income					
30	Debt Synchronization	(2,422)	(84)	(2,529)	(87)	(2,615)
31	State Taxable Income	2,422	84	2,529	87	2,615
32	State Income Tax Before Credits	237	8	248	8	256
33	State Tax Credits					
34	Federal Tax Deductions					
35	Federal Taxable Income	2,185	76	2,281	78	2,359
36	Federal Income Tax Before Credits	765	27	798	27	826
37	Federal Tax Credits					
38	Total Income Taxes	1,002	35	1,046	36	1,082
39						
40	Required ROR	7.49%	7.49%	7.51%	7.51%	7.51%
41	Cost of Debt	2.24%	2.24%	2.26%	2.26%	2.26%
42	State Tax Rate	9.80%	9.80%	9.80%	9.80%	9.80%
43	Composite Tax Rate (t)	41.37%	41.37%	41.37%	41.37%	41.37%
44	Revenue Conversion Factor = $1 / (1 - t)$	1.70561	1.70561	1.70561	1.70561	1.70561

References

Row 1, Column A AEH-1 Sch 4, pg 5
Row 1, Column C CRB-1 Sch 4, pg 5
Row 1, Column E CRB-1 Sch 5, pg 5

Column B CRB-1 Sch 6, col. 4
Column D CRB-1 Sch 6, col. 9

COC Change

This bridge schedule column represents the change in COC from last authorized to proposed

A40-2

Total 2016 TY Rate Base	7,836,114,747	a
Change	11,754,172	$e = a * (d - c)$
Tax Gross-Up Factor	1.705611462	b
Total Impact	20,048,051	$f = e * b$

Cap Structure Last Authorized

	Ratio	Cost	Weighted Cost
Short Term Debt	1.26%	1.84%	0.02%
Long Term Debt	46.24%	4.81%	2.22%
Common Equity	52.50%	9.72%	5.10%
Required Rate of Return	100.00%		7.34% c

Cap Structure Proposed

	Ratio	Cost	Weighted Cost
Short Term Debt	1.26%	1.84%	0.02%
Long Term Debt	46.24%	4.81%	2.22%
Common Equity	52.50%	10.00%	5.25%
Required Rate of Return	100.00%		7.49% d

NOL Adjustment: Purpose

The purpose of the NOL adjustment is to reflect the decrease in the deferred tax asset created due to the State of MN Electric being in a net operating loss (NOL) tax position prior to the test year. Because of the NOL, a deferred tax asset (DTA) is included in the beginning year rate base accumulated deferred taxes (ADIT). The DTA is an increase to rate base due to total current and deferred income taxes reflecting more deductions and credits than the Company can utilize in the years prior to the test year. The cumulative balance of the unused deductions and credits is the basis for the DTA. During the test year, the Company is able to consume some of the accumulated deductions thereby lowering the DTA. The reduction in the DTA is reflected in this adjustment.

The NOL adjustment is not an input to the Cost of Service. Rather the adjustment is calculated with the Cost of Service model. This workpaper reflects the calculations that were made within the model.

A41-2

Northern States Power Company
Electric Utility - State of Minnesota
Net Operating Loss (NOL)
Test Year Ending December 31, 2016
(\$000's)

Docket No. E002/GR-15-826
Exhibit (AEH-1) Schedule 24
Page 1 of 1

At Last Authorized ROE

Impact of Unused/(Utilized) Tax Deductions on Rate Base	2014 Annual Report EOY Balances	2015 Bridge Annual Utilization Amounts	2015 Bridge EOY Balances	2016 Test Year Annual Utilization Amounts	2016 Test Year EOY Balances
1. Unused/(Utilized) Deductions	393,087,231	(97,341,132)	295,746,100	(295,746,100)	0
2. Deferred Tax Effect of Unused/(Utilized) Deductions	160,267,315	(39,724,624)	120,542,691	(120,693,096)	(150,405)
3. Unused/(Utilized) Credits State	0	558,701	558,701	(558,701)	0
4. Unused/(Utilized) Credits Federal	97,562,520	26,047,263	123,609,783	31,842,924	155,452,707
5. Accumulated Deferred Income Taxes (ADIT)	257,829,835	(13,118,660)	244,711,175	(89,408,873)	155,302,302

Impact of Unused/(Utilized) Tax Deductions on Revenue Requirements	2015 Bridge Year Utilization Adjustment	2016 Test Year Utilization Adjustment	Comment
6. Deferred Tax Asset BOY	0	0	Zero since adjustment reflects current year utilization
7. Deferred Tax Asset EOY	(13,118,660)	(89,408,873)	From Utilization columns on Line 4
8. Average Rate Base	(6,559,330)	(44,704,436)	(BOY + EOY)/2
9. Return Requirement	(481,455)	(3,281,306)	Rate Base * Req Rate of Return
10. RR Tax on Equity Return	(236,045)	(1,608,742)	(T/(1-T))*RB*Equity Return
11. Rate Base Revenue Requirement	(717,500)	(4,890,048)	Line 9 + Line 10
12. Deferred Tax	13,118,660	89,408,873	From Utilization columns on Line 5
13. Current Tax Rev Req ¹	(14,382,429)	(91,901,658)	From Line 19
14. Total Revenue Requirements	(1,981,269)	(7,382,833)	Line 10+11+12
RR on beg balance from 2015		(1,435,000)	Line 7 (EOY 2015) * (ROR + T/(1-T))*weighted cost of equity
Total for validation	(1,981,269)	(8,817,833)	
RIS COSS	(1,981,269)	(8,817,833)	
Difference	(0)	0	
¹ Current Income Tax Rev Req Calculation			
15. Utilized Deductions	97,341,132	295,746,100	Unused Annual Deductions
16. Deferred Taxes	13,118,660	89,408,873	Line 12
17. Unused State Tax Credits	558,701	(558,701)	From Utilization columns on Line 3
18. Unused Federal Tax Credits	26,047,263	31,842,924	From Utilization columns on Line 4
19. Current Income Tax Revenue Requirement	(14,382,429)	(91,901,658)	(T/(1-T))*(-Line 15+.65xLine16+Line17)+.65xLine 16+Line 17
Weighted Cost of Capital			
	2015	2016	
Active Rates and Ratios Version	Last Authorized	Last Authorized	
Cost of Short Term Debt	0.98%	1.84%	
Cost of Long Term Debt	4.84%	4.81%	
Cost of Common Equity	9.72%	9.72%	
Ratio of Short Term Debt	1.61%	1.26%	
Ratio of Long Term Debt	45.89%	46.24%	
Ratio of Common Equity	52.50%	52.50%	
Weighted Cost of STD	0.02%	0.02%	
Weighted Cost of LTD	2.22%	2.22%	
Weighted Cost of Debt	2.24%	2.24%	
Weighted Cost of Equity	5.10%	5.10%	
Required Rate of Return	7.34%	7.34%	
Corp Composite Tax Rate	40.81%	40.81%	
MN Composite Tax Rate	41.37%	41.37%	

A41-3

Northern States Power Company
Electric Utility - State of Minnesota
Net Operating Loss (NOL)
Test Year Ending December 31, 2016
(\$000's)

Docket No. E002/GR-15-826
Exhibit (AEH-1) Schedule 24
Back-Up Support - 3-Year Ask
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Impact of Unused/(Utilized) Tax Deductions on Rate Base	2014 Annual Report EOY Balances	2015 Bridge Annual Utilization Amounts	2015 Bridge EOY Balances	2016 Test Year Annual Utilization Amounts	2016 Test Year EOY Balances	2017 Ask Annual Utilization Amounts	2017 Ask EOY Balances	2018 Ask Annual Utilization Amounts	2018 Ask EOY Balances
1. Unused/(Utilized) Deductions	393,087,231	(97,341,132)	295,746,100	(295,746,100)	0	0	0	0	0
2. Deferred Tax Effect of Unused/(Utilized) Deductions	160,267,315	(39,724,624)	120,542,691	(120,693,096)	(150,405)	0	(150,405)	0	(150,405)
3. Unused/(Utilized) Credits State	0	558,701	558,701	(558,701)	0	0	0	0	0
4. Unused/(Utilized) Credits Federal	97,562,520	26,047,263	123,609,783	31,842,924	155,452,707	(52,991,330)	102,461,377	(62,148,736)	40,312,641
5. Accumulated Deferred Income Taxes (ADIT)	257,829,835	(13,118,660)	244,711,175	(89,408,873)	155,302,302	(52,991,330)	102,310,972	(62,148,736)	40,162,236

Impact of Unused/(Utilized) Tax Deductions on Revenue Requirements	2015 Bridge Year Utilization Adjustment	2016 Test Year Utilization Adjustment	2017 Ask Utilization Adjustment	2018 Ask Utilization Adjustment	Comment
6. Deferred Tax Asset BOY	0	0	0	0	Zero since adjustment reflects current year utilization
7. Deferred Tax Asset EOY	(13,118,660)	(89,408,873)	(52,991,330)	(62,148,736)	From Utilization columns on Line 4
8. Average Rate Base	(6,559,330)	(44,704,436)	(26,493,665)	(31,074,368)	(BOY + EOY)/2
9. Return Requirement	(481,455)	(3,281,306)	(1,950,081)	(2,287,073)	Rate Base * Req Rate of Return
10. RR Tax on Equity Return	(236,045)	(1,608,742)	(953,478)	(1,118,248)	(T/(1-T)) * RB * Equity Return
11. Rate Base Revenue Requirement	(717,500)	(4,890,048)	(2,903,559)	(3,405,321)	Line 9 + Line 10
12. Deferred Tax	13,118,660	89,408,873	52,991,330	62,148,736	From Utilization columns on Line 5
13. Current Tax Rev Req ¹	(14,382,429)	(91,901,658)	(52,991,330)	(62,148,736)	From Line 19
14. Total Annual Utilization Revenue Requirements	(1,981,269)	(7,382,833)	(2,903,559)	(3,405,321)	Line 10+11+12
¹ Current Income Tax Rev Req Calculation					
15. Utilized Deductions	97,341,132	295,746,100	-	-	Unused Annual Deductions
16. Deferred Taxes	13,118,660	89,408,873	52,991,330	62,148,736	Line 12
17. Unused State Tax Credits	558,701	(558,701)	-	-	From Utilization columns on Line 3
18. Unused Federal Tax Credits	26,047,263	31,842,924	(52,991,330)	(62,148,736)	From Utilization columns on Line 4
19. Current Income Tax Revenue Requirement	(14,382,429)	(91,901,658)	(52,991,330)	(62,148,736)	(T/(1-T)) * (-Line 15 + .65 * Line 16 + Line 17) + .65 * Line 16 + Line 17
Validation Section					
	2015	2016	2017	2018	
Total Annual Utilization Revenue Requirements	(1,981,269)	(7,382,833)	(2,903,559)	(3,405,321)	
RR on beg balance	-	(1,435,000)	(11,235,601)	(17,042,719)	
Sec 199 Manufacture Production Deduction - Fed	-	3,425,905	31,435,296	34,023,749	
Section 199 Revenue Requirement	-	(2,045,142)	(18,765,740)	(20,310,954)	
Total NOL & Sec 199 for validation	(1,981,269)	(10,862,975)	(32,904,900)	(40,758,994)	
RIS COSS	(1,981,269)	(10,862,975)	(32,904,900)	(40,758,994)	
Difference	(0)	-	-	-	
Total Average Rate Base	(6,559,330)	(57,823,096)	(129,023,198)	(186,593,231)	

Weighted Cost of Capital	2015	2016	2017	2018
Active Rates and Ratios Version	Last Authorized	Last Authorized	Last Authorized	Last Authorized
Cost of Short Term Debt	0.98%	1.84%	3.57%	4.45%
Cost of Long Term Debt	4.84%	4.81%	4.81%	4.77%
Cost of Common Equity	9.72%	9.72%	9.72%	9.72%
Ratio of Short Term Debt	1.61%	1.26%	1.46%	1.26%
Ratio of Long Term Debt	45.89%	46.24%	46.04%	46.41%
Ratio of Common Equity	52.50%	52.50%	52.50%	52.50%
Weighted Cost of STD	0.02%	0.02%	0.05%	0.05%
Weighted Cost of LTD	2.22%	2.22%	2.21%	2.21%
Weighted Cost of Debt	2.24%	2.24%	2.26%	2.26%
Weighted Cost of Equity	5.10%	5.10%	5.10%	5.10%
Required Rate of Return	7.34%	7.34%	7.36%	7.36%
Corp Composite Tax Rate	40.81%	40.81%	40.81%	40.81%
MN Composite Tax Rate	41.37%	41.37%	41.37%	41.37%

NOL and Tax Credit related DTA Summary by Jurisdiction
NSPM 2015-2019 Forecast - 3-Year Ask Scenario
October, 2015

10% ROE Beginning 2016 Minnesota Jurisdiction	2015	2016	2017	2018	2019	2020
Unused Deductions Beginning Balance	(393,087,231)	(295,746,100)	-	-	-	-
Sec 172(f) carryback & prior returns						
Current Year (Unused) Utilization	97,341,132	295,746,100	-	-	-	-
Unused Deductions Ending Balance	(295,746,100)	-	-	-	-	-
NOL related ADIT Beginning Balance	(160,267,315)	(120,542,691)	150,405	150,405	150,405	150,405
Sec 172(f) carryback & prior returns						
Annual Amount	39,724,624	120,693,096	-	-	-	-
NOL related ADIT Ending Balance	(120,542,691)	150,405	150,405	150,405	150,405	150,405
Unused Tax Credit Beginning Balance	(97,562,520)	(124,168,484)	(155,452,707)	(102,461,377)	(40,312,641)	-
Current Year (Unused) Utilization - State	(558,701)	558,701	-	-	-	-
Current Year (Unused) Utilization - Federal	(26,047,263)	(31,842,924)	52,991,330	62,148,736	40,312,641	-
Unused Tax Credit Ending Balance	(124,168,484)	(155,452,707)	(102,461,377)	(40,312,641)	-	-
BOY ADIT Total	(257,829,835)	(244,711,175)	(155,302,302)	(102,310,972)	(40,162,236)	150,405
EOY ADIT Total	(244,711,175)	(155,302,302)	(102,310,972)	(40,162,236)	150,405	150,405
Average Balance	(251,270,505)	(200,006,738)	(128,806,637)	(71,236,604)	(20,005,916)	150,405
RIS Balance Check	(251,270,505)	(200,006,738)	(128,806,637)	(71,236,604)	(20,005,916)	150,405
	(0)	(0)	(0)	(0)	(0)	(0)

Residual Bal due to changing CTRs.

A41-4

167 3-Year Ask Scenario - Current NOL Record Type

168 Total Revenue Requirements

169 Total Retail Revenues

170 Revenue Deficiency

171 Total Revenue Requirements

172

Federal Sec 199 Production Deduction

Federal Sec 199 Production Deduction RR

Total Revenue Requirements excluding Sec 199

Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
(1,998,050)	(11,010,911)	(33,234,996)	(41,236,377)	(50,167,549)	(59,332,783)
(1,998,050)	(11,010,911)	(33,234,996)	(41,236,377)	(50,167,549)	(59,332,783)
	3,425,905	31,435,296	34,023,749	39,400,470	50,840,746
	(2,045,142)	(18,765,740)	(20,310,954)	(23,520,662)	(30,350,095)
(1,998,050)	(8,965,769)	(14,469,255)	(20,925,424)	(26,646,886)	(28,982,687)

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Line No.	NSPM -00 Complete RR by Jur and Other, 5-year	MN Electric					
		Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
172	NOL Solve Validation	Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
173	Federal Sec 199 Production Deduction		3,059,123	21,314,808	23,752,250	30,170,312	41,095,650
	Total State Taxes	0	(16,556,817)	8,772,801	7,024,008	5,431,863	12,067,108
	Total Federal Taxes	(0)	(61,656,212)	(82,168,262)	(96,908,085)	(93,449,348)	(23,851,270)
	Total Federal & State Taxes	(0)	(78,213,029)	(73,395,461)	(89,884,077)	(88,017,485)	(11,784,162)
	Total State Taxes in Gross-Up		19,139,401	25,506,778	30,082,332	37,468,783	43,260,548
	Total Federal Taxes In Gross-Up		61,656,212	82,168,262	96,908,085	120,703,007	139,360,765
	Total State Taxes (Including Gross-Up)		2,582,584	34,279,578	37,106,340	42,900,646	55,327,656
	Total Federal Taxes (Including Gross-Up)		0	(0)	0	27,253,659	115,509,495

NOL Solve Validation for zero income taxes All-In

AEH-6

NOL and Tax Credit related DTA Summary by Jurisdiction
NSPM 2015-2019 Forecast
October, 2015

10% ROE Beginning 2016						
Minnesota Jurisdiction	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Unused Deductions Beginning Balance	(393,087,231)	(295,746,100)	-	-	-	-
Sec 172(f) carryback & prior returns						
Current Year (Unused) Utilization	<u>97,341,132</u>	<u>295,746,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unused Deductions Ending Balance	(295,746,100)	-	-	-	-	-
NOL related ADIT Beginning Balance	(160,267,315)	(120,542,691)	150,405	150,405	150,405	150,405
Sec 172(f) carryback & prior returns						
Annual Amount	<u>39,724,624</u>	<u>120,693,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NOL related ADIT Ending Balance	(120,542,691)	150,405	150,405	150,405	150,405	150,405
Unused Tax Credit Beginning Balance	(97,562,520)	(124,168,484)	(155,452,707)	(102,470,236)	(40,334,544)	-
Current Year (Unused) Utilization - State	(558,701)	558,701	-	-	-	-
Current Year (Unused) Utilization - Federal	<u>(26,047,263)</u>	<u>(31,842,924)</u>	<u>52,982,471</u>	<u>62,135,692</u>	<u>40,334,544</u>	<u>-</u>
Unused Tax Credit Ending Balance	(124,168,484)	(155,452,707)	(102,470,236)	(40,334,544)	-	-
BOY ADIT Total	(257,829,835)	(244,711,175)	(155,302,302)	(102,319,831)	(40,184,139)	150,405
EOY ADIT Total	(244,711,175)	(155,302,302)	(102,319,831)	(40,184,139)	150,405	150,405
Average Balance	<u>(251,270,505)</u>	<u>(200,006,738)</u>	<u>(128,811,067)</u>	<u>(71,251,985)</u>	<u>(20,016,867)</u>	<u>150,405</u>
RIS Balance Check	(251,270,505)	(200,006,738)	(128,811,067)	(71,251,985)	(20,016,867)	150,405
	(0)	(0)	(0)	(0)	(0)	(0)

Residual Bal due to changing CTRs.

A41-7

167	NOL Current Record Type - 5-Year Forecast						
168	Total Revenue Requirements	Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
169	Total Retail Revenues						
170	Revenue Deficiency	(1,998,050)	(11,010,911)	(33,232,824)	(41,232,186)	(50,166,046)	(59,332,465)
171	Total Revenue Requirements	(1,998,050)	(11,010,911)	(33,232,824)	(41,232,186)	(50,166,046)	(59,332,465)
172							
	Federal Sec 199 Production Deduction		3,425,905	31,432,491	34,019,618	39,400,007	50,840,213
	Federal Sec 199 Production Deduction RR		(2,045,142)	(18,764,066)	(20,308,488)	(23,520,386)	(30,349,778)
	Total Revenue Requirements excluding Sec 199	(1,998,050)	(8,965,769)	(14,468,758)	(20,923,699)	(26,645,659)	(28,982,687)

A41-8

Northern States Power Co. Minnesota
Minnesota Retail Electric Jurisdiction
Net Operating Loss (NOL) Related Deferred Tax Asset Balance Reporting
Forecast Utilization and Annual Revenue Requirement Reduction
Dollars in thousands

Docket No. E002/GR-15-826
Exhibit (AEH-1) Schedule 24 Back-Up WP

From May 31, 2015 NOL Annual Compliance Filing

Attachment B
Page 4 of 4

Forecast	(a) 2014 Ending Balance	(b) 2015 Annual Amount	(c) 2015 Fest Bal	(d) 2016 Annual Amount	(e) 2016 Fest Bal (1)	(f) 2017 Annual Amount	(g) 2017 Fest Bal (1)	(h) 2018 Annual Amount	(i) 2018 Fest Bal (1)	(j) 2019 Annual Amount	(k) 2019 Fest Bal (1)
(1) EOY Unused Deduction Balance	393,087	(104,658)	288,430	(288,429)	0	0	0	0	0	0	0
(2) Tax Effect of Deduction Balance	160,267	(42,715)	117,552	(117,552)	0	0	0	0	0	0	0
(3) EOY Unused Credit Balance	97,563	29,661	127,224	29,293	156,516	(76,659)	79,857	(79,857)	0	0	0
(4) Total (EOY Rate Base)	257,830	(13,054)	244,776	(88,259)	156,516	(76,659)	79,857	(79,857)	0	0	0
(5) Composite Tax Rate	0.4077144	0.408144	0.40755848	0.40755845							

Minnesota Retail Jurisdiction

Capital Structure - Current Authorized

(6) Weighted Cost of Debt	2.21%
(7) Weighted Cost of Equity	5.10%
(8) Composite Cost of Capital	7.31%
(9) Current Tax Rate	41.37%
(10) RR Conversion Factor	1.705611462

	(l) 2015	(m) 2016	(n) 2017	(o) 2018	(p) 2019
NOL/DTA Return to Customer Estimate					
Row (4) (Reverse sign)	13,054	88,259	76,659	79,857	-
NOL Deferred Tax Asset Utilization	(6,527)	(57,184)	(139,643)	(217,901)	(257,830)
Row (4) (Sum of previous years annual + 1/2 current year annual) Cumulative Impact on Average Rate Base	(477)	(4,180)	(10,208)	(15,929)	(18,847)
Row (12) * Composite Cost of Capital (Row (8) Col (b)) Required Operating Income	13,054	88,259	76,659	79,857	-
Row (11) (current year utilization) Deferred Tax	(144)	(1,264)	(3,086)	(4,816)	(5,698)
Weighted cost of debt * Average RB (Row (6) Col (b) * Row (12)) Debt Return	(13,576)	(89,508)	(75,382)	(77,865)	2,357
(Row (1) - Row (15)) * Composite Tax Rate (Row (24) Col (b)) + Row (3) Current Tax	522	1,249	(1,277)	(1,992)	(2,357)
- Row (14) - Row (16) Operating Income	(999)	(5,429)	(8,931)	(13,936)	(16,490)
Row (13) - Row (17) Operating Income Deficiency	(1,704)	(9,259)	(15,233)	(23,770)	(28,126)
Row (18) * RR Conversion Factor Annual Revenue Requirement Reduction					

2015-2019 Accumulated Reductions (78,092)

(1) Assumes Company has sufficient revenues to earn the last authorized return beginning in 2016.

A41-9

		A	B	C	D = B - A	E = C - B	
Line No.	MYRP Capital Forecast	Capital Forecast			Year-over-year Change		Comment
		2016	2017	2018	2017 / 2016	2018 / 2017	
<u>Additional Detail Reference</u>		<u>pg 3-4</u>	<u>pg 5-6</u>	<u>pg 7-8</u>	<u>pg 9-10</u>	<u>pg 11-12</u>	
1	Plant as booked						
2	Production	9,192,783	9,476,488	9,868,923	283,706	392,435	
3	Transmission	2,690,961	2,751,152	2,789,625	60,190	38,473	
4	Distribution	3,272,959	3,391,796	3,516,302	118,837	124,505	
5	General	727,748	777,297	827,938	49,549	50,641	
6	Common	540,996	639,611	725,535	98,614	85,924	
7	Total Utility Plant in Service	16,425,447	17,036,345	17,728,323	610,897	691,978 (sum)	
8							
9	Reserve for Depreciation						
10	Production	4,947,590	5,309,141	5,678,024	361,551	368,884	
11	Transmission	551,324	579,921	622,464	28,597	42,543	
12	Distribution	1,232,993	1,277,293	1,333,146	44,300	55,853	
13	General	267,760	328,863	390,194	61,103	61,332	
14	Common	268,091	313,919	362,619	45,828	48,700	
15	Total Reserve for Depreciation	7,267,758	7,809,137	8,386,448	541,378	577,311 (sum)	
16							
17	Net Utility Plant						
18	Production	4,245,193	4,167,348	4,190,899	(77,845)	23,551 (line 2 - line 10)	
19	Transmission	2,139,637	2,171,231	2,167,161	31,593	(4,070) (line 3 - line 11)	
20	Distribution	2,039,966	2,114,503	2,183,156	74,538	68,653 (line 4 - line 12)	
21	General	459,988	448,435	437,744	(11,554)	(10,691) (line 5 - line 13)	
22	Common	272,905	325,691	362,916	52,786	37,224 (line 6 - line 14)	
23	Net Utility Plant in Service	9,157,689	9,227,208	9,341,875	69,519	114,667 (sum)	
24							
25	Utility Plant Held for Future Use						
26							
27	Construction Work in Progress	444,412	473,950	422,411	29,538	(51,539)	
28							
29	Less: Accumulated Deferred Income Taxes	2,216,466	2,304,118	2,366,477	87,652	62,358	
30							
31	Other Rate Base Items						
32	Cash Working Capital						
33	Materials and Supplies						
34	Fuel Inventory						
35	Non Plant Assets and Liabilities						
36	Customer Advances						
37	Customer Deposits						
38	Prepayments						
39	Regulatory Amortizations	60,741	57,353	53,966	(3,387)	(3,387)	
40	Total Other Rate Base	60,741	57,353	53,966	(3,387)	(3,387) (sum)	
41							
42	Total Average Rate Base	7,446,375	7,454,393	7,451,776	8,018	(2,617) (line 23 + line 27 - line 29 + line 40)	
43							
44	Operating Revenues						
45	Retail Revenue						
46	Other Operating	193,295	194,526	196,145	1,231	1,619	
47	Total Revenue	193,295	194,526	196,145	1,231	1,619 (sum)	
48							
49	Expenses						
50	Operating Expenses						
51	Fuel & Purchased Energy	638	636	633	(1)	(3)	
52	Power Production	25,529	25,418	25,568	(111)	150	
53	Transmission	86,427	87,791	92,615	1,364	4,824	
54	Customer Accounting						
55	Customer Service and Information						
56	Sales, Econ Dev, & Other						
57	Administrative and General						
58	Total Operating Expenses	112,594	113,845	118,816	1,252	4,971 (sum)	
59							
60	Depreciation	471,286	543,044	569,829	71,758	26,785	
61	Amortization	38,472	38,472	38,472			
62							

		A	B	C	D = B - A	E = C - B	
Line No.	MYRP Capital Forecast	Capital Forecast			Year-over-year Change		Comment
		2016	2017	2018	2017 / 2016	2018 / 2017	
	<u>Additional Detail Reference</u>	<u>pg 3-4</u>	<u>pg 5-6</u>	<u>pg 7-8</u>	<u>pg 9-10</u>	<u>pg 11-12</u>	
63	Taxes						
64	Property	186,751	195,116	200,621	8,365	5,504	
65	Deferred Income Tax and ITC	93,743	61,658	58,894	(32,085)	(2,764)	
66	Federal and State Income Tax	(457,128)	(459,927)	(471,579)	(2,182)	(11,652)	(line 99)
67	Payroll and Other						
68	Total Taxes	(176,634)	(203,153)	(212,064)	(25,902)	(8,912)	(sum)
69							
70	Total Expenses	445,717	492,209	515,053	47,108	22,844	(line 58 + line 60 + line 61 + line 68)
71							
72	AFUDC	33,283	40,683	34,147	7,400	(6,536)	
73							
74	Total Operating Income	(219,139)	(257,000)	(284,761)	(38,477)	(27,761)	(line 47 - line 70 + line 72)
75							
76	Calculation of Revenue Requirements						
77	Rate Base	7,446,375	7,454,393	7,451,776	8,018	(2,617)	(line 42)
78	Required Operating Income	557,733	559,825	559,628	589	(192)	(line 77 x line 101)
79	Operating Income	(219,139)	(257,000)	(284,761)	(38,477)	(27,761)	(line 74)
80	Income Deficiency	776,873	816,824	844,389	39,066	27,569	(line 78 - line 79)
81	Revenue Deficiency	1,325,043	1,393,185	1,440,200	66,631	47,023	(line 80 x line 105)
82							
83	Calculation of Income Taxes						
84	Operating Revenue	193,295	194,526	196,145	1,231	1,619	(line 47)
85	-Operating Expense	112,594	113,845	118,816	1,252	4,971	(line 58)
86	-Amortization	38,472	38,472	38,472			(line 61)
87	-Taxes Other than Income	186,751	195,116	200,621	8,365	5,504	(line 64 + line 67)
88	Operating Income Before Adjs	(144,522)	(152,908)	(161,764)	(8,385)	(8,856)	(sum)
89	Additions to Income	180,252	178,635	180,150	(1,618)	1,515	
90	Deductions from Income	869,840	856,670	879,931	(13,170)	23,261	
91	Debt Synchronization	166,799	168,469	168,410	180	(59)	(line 77 x line 102)
92	State Taxable Income	(1,000,909)	(999,413)	(1,029,956)	2,987	(30,543)	(line 88 + line 89 - line 90 - line 91)
93	State Income Tax Before Credits	(98,089)	(97,942)	(100,936)	293	(2,993)	(line 92 x line 103)
94	State Tax Credits						
95	Federal Tax Deductions						
96	Federal Taxable Income	(902,820)	(901,470)	(929,020)	2,694	(27,550)	(line 92 - line 93 + line 94 - line 95)
97	Federal Income Tax Before Credits	(315,987)	(315,515)	(325,157)	943	(9,642)	(line 96 x 35%)
98	Federal Tax Credits	43,052	46,470	45,486	3,418	(984)	
99	Total Income Taxes	(457,128)	(459,927)	(471,579)	(2,182)	(11,652)	(line 93 - line 94 + line 97 - line 98)
100							
101	Required Rate of Return	7.49%	7.51%	7.51%	7.34%	7.34%	
102	Cost of Debt	2.24%	2.26%	2.26%	2.24%	2.26%	
103	State Tax Rate	9.80%	9.80%	9.80%	9.80%	9.80%	
104	Composite Tax Rate (t)	41.37%	41.37%	41.37%	41.37%	41.37%	
105	Revenue Conversion Factor = 1 / (1 - t)	1.70561	1.70561	1.70561	1.70561	1.70561	

Worksheet Reference		(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2016	Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
1	Plant as booked															
2	Production	9,293,468			2,676								(103,361)			9,192,783
3	Transmission	2,906,669											(5,371)	(210,336)		2,690,961
4	Distribution	3,272,959														3,272,959
5	General	727,748														727,748
6	Common	540,996														540,996
7	Total Utility Plant in Service	16,741,841			2,676								(108,733)	(210,336)		16,425,447
8																
9	Reserve for Depreciation															
10	Production	4,947,014			136				630				(190)			4,947,590
11	Transmission	554,837											(31)	(3,482)		551,324
12	Distribution	1,231,334						1,660								1,232,993
13	General	266,556						1,204								267,760
14	Common	267,994						97								268,091
15	Total Reserve for Depreciation	7,267,735			136			2,961	630				(221)	(3,482)		7,267,758
16																
17	Net Utility Plant															
18	Production	4,346,455			2,540				(630)				(103,171)			4,245,193
19	Transmission	2,351,832											(5,341)	(206,854)		2,139,637
20	Distribution	2,041,625						(1,660)								2,039,966
21	General	461,192						(1,204)								459,988
22	Common	273,002						(97)								272,905
23	Net Utility Plant in Service	9,474,106			2,540			(2,961)	(630)				(108,512)	(206,854)		9,157,689
24																
25	Construction Work in Progress	541,694			(2,814)								(33,002)	(61,466)		444,412
26																
27	Less: Accumulated Deferred Income Taxes	2,251,683			(2)				(257)		21,026	3,799	(7,398)	(26,865)	(25,518)	2,216,466
28																
29	Other Rate Base Items															
30	Regulatory Amortizations										51,433	9,308				60,741
31	Total Other Rate Base										51,433	9,308				60,741
32																
33	Total Average Rate Base	7,764,117			(272)			(2,961)	(373)		30,407	5,509	(134,116)	(241,455)	25,518	7,446,375
34																

Workpaper Reference		(1) Vol 4A, P1 & P6	(2) MZ	(3) MZ	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2016	Base		Data Update	Precedential			Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense		Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
35	Operating Revenues															
36	Retail Revenue															
37	Other Operating	(3,733)		170,288	106	19,708	288		195		2,694			3,748		193,295
38	Total Revenue	(3,733)		170,288	106	19,708	288		195		2,694			3,748		193,295
39																
40	Expenses															
41	Operating Expenses															
42	Fuel & Purchased Energy		638													638
43	Power Production		29,744							(4,215)						25,529
44	Transmission		86,427													86,427
45	Total Operating Expenses		116,809							(4,215)						112,594
46																
47	Depreciation	473,932			287				1,261				(441)	(3,752)		471,286
48	Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
49																
50	Taxes															
51	Property	189,976													(3,225)	186,751
52	Deferred Income Tax and ITC	113,497			(4)				(515)		(1,179)	(205)	(15,200)	(2,651)		93,743
53	Federal and State Income Tax	(520,619)	(48,324)	70,448	(104)	8,153	119	27	84	1,744	833	(51)	17,420	13,377	(236)	(457,128)
54	Payroll and Other															
55	Total Taxes	(217,146)	(48,324)	70,448	(107)	8,153	119	27	(430)	1,744	(346)	(256)	2,220	7,501	(236)	(176,634)
56																
57	Total Expenses	302,933	68,485	70,448	180	8,153	119	27	831	(2,471)	2,538	247	424	(5,960)	(236)	445,717
58																
59	Allowance for Funds Used During Construction	33,560			(276)											33,283
60																
61	Total Operating Income	(273,106)	(68,485)	99,840	(350)	11,555	169	(27)	(635)	2,471	156	(247)	(424)	9,708	236	(219,139)
62																
63	Calculation of Revenue Requirements															
64	Rate Base	7,764,117			(272)			(2,961)	(373)		30,407	5,509	(134,116)	(241,455)	25,518	7,446,375
65	Required Operating Income	581,532			(20)			(222)	(28)		2,277	413	(10,045)	(18,085)	1,911	557,733
66	Operating Income	(273,106)	(68,485)	99,840	(350)	11,555	169	(27)	(635)	2,471	156	(247)	(424)	9,708	236	(219,139)
67	Income Deficiency	854,639	68,485	(99,840)	330	(11,555)	(169)	(194)	607	(2,471)	2,121	659	(9,621)	(27,793)	1,675	776,873
68	Revenue Deficiency	1,457,681	116,809	(170,288)	562	(19,708)	(288)	(331)	1,036	(4,215)	3,618	1,125	(16,410)	(47,403)	2,857	1,325,043
69																
70	Calculation of Income Taxes															
71	Operating Revenue	(3,733)		170,288	106	19,708	288		195		2,694			3,748		193,295
72	-Operating Expense		116,809							(4,215)						112,594
73	-Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
74	-Taxes Other than Income	189,976												(3,225)		186,751
75	Operating Income Before Adjs	(239,856)	(116,809)	170,288	106	19,708	288		195	4,215	(190)	(503)	1,355	16,681		(144,522)
76	Additions to Income	183,981			(165)						2,884	503	(4,897)	(2,054)		180,252
77	Deductions from Income	924,526			198								(42,585)	(12,299)		869,840
78	Debt Synchronization	173,916			(6)			(66)	(8)		681	123	(3,004)	(5,409)	572	166,799
79	State Taxable Income	(1,154,317)	(116,809)	170,288	(250)	19,708	288	66	204	4,215	2,013	(123)	42,047	32,334	(572)	(1,000,909)
80	State Income Tax Before Credits	(113,123)	(11,447)	16,688	(25)	1,931	28	6	20	413	197	(12)	4,121	3,169	(56)	(98,089)
81	State Tax Credits															
82	Federal Tax Deductions															
83	Federal Taxable Income	(1,041,194)	(105,361)	153,600	(226)	17,777	260	60	184	3,802	1,816	(111)	37,926	29,165	(516)	(902,820)
84	Federal Income Tax Before Credits	(364,418)	(36,877)	53,760	(79)	6,222	91	21	64	1,331	636	(39)	13,274	10,208	(180)	(315,987)
85	Federal Tax Credits	43,078											(26)			43,052
86	Total Income Taxes	(520,619)	(48,324)	70,448	(104)	8,153	119	27	84	1,744	833	(51)	17,420	13,377	(236)	(457,128)

Worksheet Reference		(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2017	Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
1	Plant as booked															
2	Production	9,677,776			5,435								(206,723)			9,476,488
3	Transmission	3,024,416											(10,743)	(262,522)		2,751,152
4	Distribution	3,391,796														3,391,796
5	General	777,297														777,297
6	Common	639,611														639,611
7	Total Utility Plant in Service	17,510,897			5,435								(217,466)	(262,522)		17,036,345
8																
9	Reserve for Depreciation															
10	Production	5,312,555			459				990				(4,863)			5,309,141
11	Transmission	587,648											(167)	(7,560)		579,921
12	Distribution	1,275,634						1,660								1,277,293
13	General	327,659						1,204								328,863
14	Common	313,822						97								313,919
15	Total Reserve for Depreciation	7,817,317			459			2,961	990				(5,029)	(7,560)		7,809,137
16																
17	Net Utility Plant															
18	Production	4,365,221			4,977				(990)				(201,860)			4,167,348
19	Transmission	2,436,769											(10,576)	(254,962)		2,171,231
20	Distribution	2,116,163						(1,660)								2,114,503
21	General	449,639						(1,204)								448,435
22	Common	325,788						(97)								325,691
23	Net Utility Plant in Service	9,693,580			4,977			(2,961)	(990)				(212,436)	(254,962)		9,227,208
24																
25	Construction Work in Progress	568,912			(5,907)								(0)	(89,055)		473,950
26																
27	Less: Accumulated Deferred Income Taxes	2,354,789			16				(404)		19,847	3,594	(27,067)	(29,748)	(16,907)	2,304,118
28																
29	Other Rate Base Items															
30	Regulatory Amortizations										48,549	8,805				57,353
31	Total Other Rate Base										48,549	8,805				57,353
32																
33	Total Average Rate Base	7,907,704			(946)			(2,961)	(586)		28,702	5,211	(185,370)	(314,269)	16,907	7,454,393
34																

Line No.	Workpaper Reference	(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
		Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
35	Operating Revenues															
36	Retail Revenue															
37	Other Operating	(8,208)		180,001	133	18,159	272		(97)		2,542			1,725		194,526
38	Total Revenue	(8,208)		180,001	133	18,159	272		(97)		2,542			1,725		194,526
39																
40	Expenses															
41	Operating Expenses															
42	Fuel & Purchased Energy		636													636
43	Power Production		29,663							(4,246)						25,418
44	Transmission		87,791													87,791
45	Total Operating Expenses		118,091							(4,246)						113,845
46																
47	Depreciation	556,790			374				(542)				(9,176)	(4,403)		543,044
48	Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
49																
50	Taxes															
51	Property	199,767											(664)	(3,986)		195,116
52	Deferred Income Tax and ITC	90,035			39				221		(1,179)	(205)	(24,137)	(3,115)		61,658
53	Federal and State Income Tax	(551,037)	(48,854)	74,466	(187)	7,512	113	28	(35)	1,756	783	(49)	41,440	14,295	(158)	(459,927)
54	Payroll and Other															
55	Total Taxes	(261,235)	(48,854)	74,466	(149)	7,512	113	28	186	1,756	(396)	(254)	16,639	7,193	(158)	(203,153)
56																
57	Total Expenses	341,703	69,237	74,466	226	7,512	113	28	(356)	(2,489)	2,488	249	6,108	(6,918)	(158)	492,209
58																
59	Allowance for Funds Used During Construction	41,075			(392)											40,683
60																
61	Total Operating Income	(308,836)	(69,237)	105,534	(484)	10,647	160	(28)	258	2,489	54	(249)	(6,108)	8,643	158	(257,000)
62																
63	Calculation of Revenue Requirements															
64	Rate Base	7,907,704			(946)			(2,961)	(586)		28,702	5,211	(185,370)	(314,269)	16,907	7,454,393
65	Required Operating Income	593,869			(71)			(222)	(44)		2,156	391	(13,921)	(23,602)	1,270	559,825
66	Operating Income	(308,836)	(69,237)	105,534	(484)	10,647	160	(28)	258	2,489	54	(249)	(6,108)	8,643	158	(257,000)
67	Income Deficiency	902,704	69,237	(105,534)	413	(10,647)	(160)	(195)	(302)	(2,489)	2,102	640	(7,813)	(32,244)	1,112	816,824
68	Revenue Deficiency	1,339,662	118,091	(180,001)	705	(18,159)	(272)	(332)	(516)	(4,246)	3,585	1,092	(13,326)	(54,996)	1,896	1,393,185
69																
70	Calculation of Income Taxes															
71	Operating Revenue	(8,208)		180,001	133	18,159	272		(97)		2,542			1,725		194,526
72	-Operating Expense		118,091							(4,246)						113,845
73	-Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
74	-Taxes Other than Income	199,767											(664)	(3,986)		195,116
75	Operating Income Before Adjs	(254,122)	(118,091)	180,001	133	18,159	272		(97)	4,246	(342)	(503)	2,019	15,419		(152,908)
76	Additions to Income	179,385			(220)						2,884	503		(3,917)		178,635
77	Deductions from Income	940,551			387								(68,318)	(15,949)		856,670
78	Debt Synchronization	178,714			(21)			(67)	(13)		649	118	(4,189)	(7,102)	382	168,469
79	State Taxable Income	(1,194,002)	(118,091)	180,001	(453)	18,159	272	67	(84)	4,246	1,893	(118)	74,526	34,553	(382)	(999,413)
80	State Income Tax Before Credits	(117,012)	(11,573)	17,640	(44)	1,780	27	7	(8)	416	186	(12)	7,304	3,386	(37)	(97,942)
81	State Tax Credits															
82	Federal Tax Deductions															
83	Federal Taxable Income	(1,076,989)	(106,518)	162,361	(409)	16,379	245	60	(76)	3,829	1,708	(106)	67,223	31,167	(345)	(901,470)
84	Federal Income Tax Before Credits	(376,946)	(37,281)	56,826	(143)	5,733	86	21	(27)	1,340	598	(37)	23,528	10,908	(121)	(315,515)
85	Federal Tax Credits	57,078											(10,608)			46,470
86	Total Income Taxes	(551,037)	(48,854)	74,466	(187)	7,512	113	28	(35)	1,756	783	(49)	41,440	14,295	(158)	(459,927)

Workpaper Reference		(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2018	Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
1	Plant as booked															
2	Production	10,073,352			2,295								(206,723)			9,868,923
3	Transmission	3,156,039											(10,743)	(355,671)		2,789,625
4	Distribution	3,516,302														3,516,302
5	General	827,938														827,938
6	Common	725,535														725,535
7	Total Utility Plant in Service	18,299,165			2,295								(217,466)	(355,671)		17,728,323
8																
9	Reserve for Depreciation															
10	Production	5,685,213			747				5,892				(13,828)			5,678,024
11	Transmission	635,409											(377)	(12,568)		622,464
12	Distribution	1,331,486						1,660								1,333,146
13	General	388,990						1,204								390,194
14	Common	362,522						97								362,619
15	Total Reserve for Depreciation	8,403,620			747			2,961	5,892				(14,205)	(12,568)		8,386,448
16																
17	Net Utility Plant															
18	Production	4,388,139			1,547				(5,892)				(192,895)			4,190,899
19	Transmission	2,520,630											(10,366)	(343,104)		2,167,161
20	Distribution	2,184,815						(1,660)								2,183,156
21	General	438,948						(1,204)								437,744
22	Common	363,013						(97)								362,916
23	Net Utility Plant in Service	9,895,545			1,547			(2,961)	(5,892)				(203,261)	(343,104)		9,341,875
24																
25	Construction Work in Progress	473,837			(3,094)								(0)	(48,332)		422,411
26																
27	Less: Accumulated Deferred Income Taxes	2,442,937			30				(2,405)		18,668	3,388	(45,699)	(34,277)	(16,166)	2,366,477
28																
29	Other Rate Base Items															
30	Regulatory Amortizations										45,665	8,302				53,966
31	Total Other Rate Base										45,665	8,302				53,966
32																
33	Total Average Rate Base	7,926,445			(1,576)			(2,961)	(3,488)		26,997	4,913	(157,562)	(357,159)	16,166	7,451,776
34																

Workpaper Reference		(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2018	Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
35	Operating Revenues															
36	Retail Revenue															
37	Other Operating	(8,469)		181,699	59	16,631	256		1,595		2,389			1,985		196,145
38	Total Revenue	(8,469)		181,699	59	16,631	256		1,595		2,389			1,985		196,145
39																
40	Expenses															
41	Operating Expenses															
42	Fuel & Purchased Energy		633													633
43	Power Production		30,125							(4,557)						25,568
44	Transmission		92,615													92,615
45	Total Operating Expenses		123,374							(4,557)						118,816
46																
47	Depreciation	574,083			187				10,347				(9,176)	(5,613)		569,829
48	Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
49																
50	Taxes															
51	Property	206,298											(664)	(5,014)		200,621
52	Deferred Income Tax and ITC	83,580			(10)				(4,222)		(1,179)	(205)	(13,127)	(5,942)		58,894
53	Federal and State Income Tax	(555,048)	(51,040)	75,169	(79)	6,880	106	28	693	1,885	736	(46)	30,696	18,592	(151)	(471,579)
54	Payroll and Other															
55	Total Taxes	(265,170)	(51,040)	75,169	(89)	6,880	106	28	(3,530)	1,885	(443)	(251)	16,905	7,636	(151)	(212,064)
56																
57	Total Expenses	355,061	72,334	75,169	98	6,880	106	28	6,817	(2,672)	2,441	252	6,374	(7,684)	(151)	515,053
58																
59	Allowance for Funds Used During Construction	34,408			(262)											34,147
60																
61	Total Operating Income	(329,122)	(72,334)	106,530	(301)	9,751	150	(28)	(5,222)	2,672	(52)	(252)	(6,374)	9,669	151	(284,761)
62																
63	Calculation of Revenue Requirements															
64	Rate Base	7,926,445			(1,576)			(2,961)	(3,488)		26,997	4,913	(157,562)	(357,159)	16,166	7,451,776
65	Required Operating Income	595,276			(118)			(222)	(262)		2,027	369	(11,833)	(26,823)	1,214	559,628
66	Operating Income	(329,122)	(72,334)	106,530	(301)	9,751	150	(28)	(5,222)	2,672	(52)	(252)	(6,374)	9,669	151	(284,761)
67	Income Deficiency	924,398	72,334	(106,530)	183	(9,751)	(150)	(195)	4,960	(2,672)	2,079	621	(5,459)	(36,492)	1,063	844,389
68	Revenue Deficiency	1,576,664	123,374	(181,699)	912	(16,631)	(256)	(332)	8,459	(4,557)	3,547	1,059	(9,310)	(62,241)	1,813	1,440,200
69																
70	Calculation of Income Taxes															
71	Operating Revenue	(8,469)		181,699	59	16,631	256		1,595		2,389			1,985		196,145
72	-Operating Expense		123,374							(4,557)						118,816
73	-Amortization	46,148									2,884	503	(1,355)	(9,708)		38,472
74	-Taxes Other than Income	206,298											(664)	(5,014)		200,621
75	Operating Income Before Adjs	(260,915)	(123,374)	181,699	59	16,631	256		1,595	4,557	(495)	(503)	2,019	16,707		(161,764)
76	Additions to Income	180,455			(144)						2,884	503		(3,549)		180,150
77	Deductions from Income	944,842			140								(41,340)	(23,711)		879,931
78	Debt Synchronization	179,138			(36)			(67)	(79)		610	111	(3,561)	(8,072)	365	168,410
79	State Taxable Income	(1,204,440)	(123,374)	181,699	(190)	16,631	256	67	1,674	4,557	1,779	(111)	46,920	44,941	(365)	(1,029,956)
80	State Income Tax Before Credits	(118,035)	(12,091)	17,807	(19)	1,630	25	7	164	447	174	(11)	4,598	4,404	(36)	(100,936)
81	State Tax Credits															
82	Federal Tax Deductions															
83	Federal Taxable Income	(1,086,405)	(111,283)	163,893	(172)	15,001	231	60	1,510	4,111	1,605	(100)	42,322	40,536	(330)	(929,020)
84	Federal Income Tax Before Credits	(380,242)	(38,949)	57,362	(60)	5,250	81	21	528	1,439	562	(35)	14,813	14,188	(115)	(325,157)
85	Federal Tax Credits	56,772											(11,285)			45,486
86	Total Income Taxes	(555,048)	(51,040)	75,169	(79)	6,880	106	28	693	1,885	736	(46)	30,696	18,592	(151)	(471,579)

[illegible]

Workpaper Reference		(1) Vol 4A, P1 & P6	(2) M7	(3) M7	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
Line No.	MYRP Capital Forecast 2017 Increment	Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
35	Operating Revenues															
36	Retail Revenue															
37	Other Operating	(4,475)		9,713	27	(1,549)	(16)		(293)		(153)			(2,023)		1,231
38	Total Revenue	(4,475)		9,713	27	(1,549)	(16)		(293)		(153)			(2,023)		1,231
39																
40	Expenses															
41	Operating Expenses															
42	Fuel & Purchased Energy		(1)													(1)
43	Power Production		(80)							(31)						(111)
44	Transmission		1,364													1,364
45	Total Operating Expenses		1,282							(31)						1,252
46																
47	Depreciation	82,859			88				(1,803)				(8,734)	(651)		71,758
48	Amortization															
49																
50	Taxes															
51	Property	9,791											(664)	(762)		8,365
52	Deferred Income Tax and ITC	(23,462)			42				736				(8,937)	(464)		(32,085)
53	Federal and State Income Tax	(29,763)	(530)	4,018	(84)	(641)	(7)		(119)	13	(47)	3	24,004	892	80	(2,182)
54	Payroll and Other															
55	Total Taxes	(43,435)	(530)	4,018	(42)	(641)	(7)		617	13	(47)	3	14,403	(333)	80	(25,902)
56																
57	Total Expenses	39,424	752	4,018	46	(641)	(7)		(1,186)	(18)	(47)	3	5,669	(984)	80	47,108
58																
59	Allowance for Funds Used During Construction	7,515			(115)											7,400
60																
61	Total Operating Income	(36,384)	(752)	5,695	(134)	(908)	(9)		894	18	(105)	(3)	(5,669)	(1,039)	(80)	(38,477)
62																
63	Calculation of Revenue Requirements															
64	Rate Base	143,586			(674)				(213)		(1,705)	(298)	(51,254)	(72,813)	(8,611)	8,018
65	Required Operating Income	10,539			(50)				(16)		(125)	(22)	(3,762)	(5,344)	(632)	589
66	Operating Income	(36,384)	(752)	5,695	(134)	(908)	(9)		894	18	(105)	(3)	(5,669)	(1,039)	(80)	(38,477)
67	Income Deficiency	46,923	752	(5,695)	85	908	9		(909)	(18)	(20)	(19)	1,907	(4,305)	(552)	39,066
68	Revenue Deficiency	80,032	1,282	(9,713)	145	1,549	16		(1,551)	(31)	(34)	(83)	3,253	(7,343)	(942)	66,631
69																
70	Calculation of Income Taxes															
71	Operating Revenue	(4,475)		9,713	27	(1,549)	(16)		(293)		(153)			(2,023)		1,231
72	-Operating Expense		1,282							(31)						1,252
73	-Amortization															
74	-Taxes Other than Income	9,791											(664)	(762)		8,365
75	Operating Income Before Adjs	(14,266)	(1,282)	9,713	27	(1,549)	(16)		(293)	31	(153)		664	(1,262)		(8,385)
76	Additions to Income	(4,596)			(56)								4,897	(1,863)		(1,618)
77	Deductions from Income	16,025			189								(25,734)	(3,650)		(13,170)
78	Debt Synchronization	3,216			(15)				(5)		(38)	(7)	(1,148)	(1,631)	(193)	180
79	State Taxable Income	(38,103)	(1,282)	9,713	(203)	(1,549)	(16)		(288)	31	(114)	7	32,443	2,156	193	2,987
80	State Income Tax Before Credits	(3,734)	(126)	952	(20)	(152)	(2)		(28)	3	(11)	1	3,179	211	19	293
81	State Tax Credits															
82	Federal Tax Deductions															
83	Federal Taxable Income	(34,369)	(1,157)	8,761	(183)	(1,397)	(14)		(260)	28	(103)	6	29,263	1,945	174	2,694
84	Federal Income Tax Before Credits	(12,029)	(405)	3,066	(64)	(489)	(5)		(91)	10	(36)	2	10,242	681	61	943
85	Federal Tax Credits	14,000											(10,583)			3,418
86	Total Income Taxes	(29,763)	(530)	4,018	(84)	(641)	(7)		(119)	13	(47)	3	24,004	892	80	(2,182)

[illegible]

Line No.	Workpaper Reference	(1) Vol 4A, P1 & P6	(2) MZ	(3) MZ	(4) A1	(5) A12	(6) A13	(7) A20	(8) A25	(9) A26	(10) A31	(11) A33	(12) A35	(13) A36	(14) A38	(15)
		Base			Data Update	Precedential		Adjustment			Amortization		Rider Removals		Secondary	Total
		Unadjusted	IA Expense	IA Revenue	Black Dog Screenhouse	Monticello LCM/EPU Return	Nobles Amounts over CON	Like Kind Exchange Program	Remaining Life Study: NSPM	Remaining Life Study: NSPW	PI EPU Recovery	Sherco 3 Depr Deferral	Rider: RES	Rider: TCR	ADIT Prorate for IRS	
35	Operating Revenues															
36	Retail Revenue															
37	Other Operating	(261)		1,699	(74)	(1,528)	(16)		1,692		(153)			260		1,619
38	Total Revenue	(261)		1,699	(74)	(1,528)	(16)		1,692		(153)			260		1,619
39																
40	Expenses															
41	Operating Expenses															
42	Fuel & Purchased Energy		(3)													(3)
43	Power Production		462							(312)						150
44	Transmission		4,824													4,824
45	Total Operating Expenses		5,283							(312)						4,971
46																
47	Depreciation	17,293			(187)				10,889					(1,209)		26,785
48	Amortization															
49																
50	Taxes															
51	Property	6,532												(1,027)		5,504
52	Deferred Income Tax and ITC	(6,454)			(49)				(4,444)				11,010	(2,827)		(2,764)
53	Federal and State Income Tax	(4,012)	(2,186)	703	109	(632)	(7)		727	129	(47)	3	(10,744)	4,297	7	(11,652)
54	Payroll and Other															
55	Total Taxes	(3,934)	(2,186)	703	60	(632)	(7)		(3,716)	129	(47)	3	266	443	7	(8,912)
56																
57	Total Expenses	13,358	3,097	703	(127)	(632)	(7)		7,172	(183)	(47)	3	266	(766)	7	22,844
58																
59	Allowance for Funds Used During Construction	(6,667)			130											(6,536)
60																
61	Total Operating Income	(20,286)	(3,097)	996	183	(896)	(10)		(5,480)	183	(105)	(3)	(266)	1,027	(7)	(27,761)
62																
63	Calculation of Revenue Requirements															
64	Rate Base	18,741			(629)				(2,902)		(1,705)	(298)	27,808	(42,890)	(742)	(2,617)
65	Required Operating Income	1,376			(46)				(213)		(125)	(22)	2,041	(3,148)	(54)	(192)
66	Operating Income	(20,286)	(3,097)	996	183	(896)	(10)		(5,480)	183	(105)	(3)	(266)	1,027	(7)	(27,761)
67	Income Deficiency	21,662	3,097	(996)	(229)	896	10		5,267	(183)	(20)	(19)	2,307	(4,175)	(48)	27,569
68	Revenue Deficiency	36,947	5,283	(1,699)	(391)	1,528	16		8,984	(312)	(34)	(33)	3,935	(7,121)	(81)	47,023
69																
70	Calculation of Income Taxes															
71	Operating Revenue	(261)		1,699	(74)	(1,528)	(16)		1,692		(153)			260		1,619
72	-Operating Expense		5,283							(312)						4,971
73	-Amortization															
74	-Taxes Other than Income	6,532												(1,027)		5,504
75	Operating Income Before Adjs	(6,793)	(5,283)	1,699	(74)	(1,528)	(16)		1,692	312	(153)			1,288		(8,856)
76	Additions to Income	1,070			76									369		1,515
77	Deductions from Income	4,291			(247)								26,978	(7,762)		23,261
78	Debt Synchronization	424			(14)				(66)		(39)	(7)	628	(969)	(17)	(59)
79	State Taxable Income	(10,438)	(5,283)	1,699	263	(1,528)	(16)		1,758	312	(114)	7	(27,606)	10,387	17	(30,543)
80	State Income Tax Before Credits	(1,023)	(518)	166	26	(150)	(2)		172	31	(11)	1	(2,705)	1,018	2	(2,993)
81	State Tax Credits															
82	Federal Tax Deductions															
83	Federal Taxable Income	(9,415)	(4,765)	1,532	237	(1,378)	(15)		1,586	281	(103)	6	(24,901)	9,369	15	(27,550)
84	Federal Income Tax Before Credits	(3,295)	(1,668)	536	83	(482)	(5)		555	98	(36)	2	(8,715)	3,279	5	(9,642)
85	Federal Tax Credits	(307)											(677)			(984)
86	Total Income Taxes	(4,012)	(2,186)	703	109	(632)	(7)		727	129	(47)	3	(10,744)	4,297	7	(11,652)

Amounts in thousands

<u>Workpaper Reference</u>		<u>AEH-1 Sch 9</u>		<u>M1 pg 2</u>		<u>M1 pg 5</u>		<u>M1 pg 7</u>	
Line No.	MYRP Unadjusted RB	2016		2017		2018			
		Total Co	MN JUR	Total Co	MN JUR	Total Co	MN JUR		
1	Plant as booked								
2	Production	10,656,624	9,293,468	11,097,272	9,677,776	11,550,155	10,073,352		
3	Transmission	3,329,231	2,906,669	3,463,886	3,024,416	3,614,460	3,156,039		
4	Distribution	3,739,105	3,272,959	3,883,899	3,391,796	4,028,350	3,516,302		
5	General	833,164	727,748	889,890	777,297	947,866	827,938		
6	Common	619,353	540,996	732,249	639,611	830,618	725,535		
7	Total Utility Plant in Service	19,177,477	16,741,841	20,067,196	17,510,897	20,971,450	18,299,165		
8									
9	Reserve for Depreciation								
10	Production	5,667,812	4,947,014	6,086,842	5,312,555	6,514,045	5,685,213		
11	Transmission	655,194	554,837	694,702	587,648	749,427	635,409		
12	Distribution	1,385,972	1,231,334	1,436,554	1,275,634	1,498,962	1,331,486		
13	General	305,460	266,556	375,450	327,659	445,666	388,990		
14	Common	306,809	267,994	359,274	313,822	415,028	362,522		
15	Total Reserve for Depreciation	8,321,247	7,267,735	8,952,822	7,817,317	9,623,127	8,403,620		
16									
17	Net Utility Plant								
18	Production	4,988,812	4,346,455	5,010,430	4,365,221	5,036,110	4,388,139		
19	Transmission	2,674,037	2,351,832	2,769,184	2,436,769	2,865,034	2,520,630		
20	Distribution	2,353,133	2,041,625	2,447,345	2,116,163	2,529,388	2,184,815		
21	General	527,704	461,192	514,440	449,639	502,200	438,948		
22	Common	312,544	273,002	372,975	325,788	415,591	363,013		
23	Net Utility Plant in Service	10,856,230	9,474,106	11,114,375	9,693,580	11,348,323	9,895,545		
24									
25	Construction Work in Progress	621,795	541,694	650,330	568,912	540,295	473,837		

Reference

Total Company amounts are reconciled on LHP-1 Schedule 5

Line No.	MYRP Other Rate Base Forecast	Other Rate Base Forecast			Year-over-year Change		Comment
		2016	2017	2018	2017 / 2016	2018 / 2017	
	Additional Detail Reference	DE 2	DE 2	DE 2	DE 3	DE 3	
1	Less: Accumulated Deferred Income Taxes	(4,295)	(350)	4,000	3,945	4,350	
2							
3	Other Rate Base Items						
4	Cash Working Capital						
5	Materials and Supplies	135,797	135,797	135,797			
6	Fuel Inventory	73,476	73,476	73,476			
7	Non Plant Assets and Liabilities	(3,716)	5,666	15,903	9,382	10,237	
8	Customer Advances	(5,562)	(5,562)	(5,562)			
9	Customer Deposits	(28,127)	(28,127)	(28,127)			
10	Prepayments	89,307	86,772	86,374	(2,535)	(398)	
11	Regulatory Amortizations						
12	Total Other Rate Base	261,175	268,022	277,861	6,847	9,838	(sum)
13							
14	Total Average Rate Base	265,470	268,373	273,861	2,902	5,488	(line 12 - line 1)
15							
16	Taxes						
17	Property						
18	Deferred Income Tax and ITC	3,839	4,051	4,650	212	599	
19	Federal and State Income Tax	(6,352)	(6,585)	(7,274)	(211)	(689)	(line 52)
20	Payroll and Other						
21	Total Taxes	(2,513)	(2,534)	(2,624)	1	(90)	(sum)
22							
23	Total Expenses	(2,513)	(2,534)	(2,624)	1	(90)	(line 21)
24							
25	AFUDC						
26							
27	Total Operating Income	2,513	2,534	2,624	(1)	90	(line 25 - line 23)
28							
29	Calculation of Revenue Requirements						
30	Rate Base	265,470	268,373	273,861	2,902	5,488	(line 14)
31	Required Operating Income	19,884	20,155	20,567	213	403	(line 30 x line 54)
32	Operating Income	2,513	2,534	2,624	(1)	90	(line 27)
33	Income Deficiency	17,371	17,621	17,943	214	312	(line 31 - line 32)
34	Revenue Deficiency	29,628	30,054	30,603	365	533	(line 33 x line 58)
35							
36	Calculation of Income Taxes						
37	Operating Revenue						
38	-Operating Expense						
39	-Amortization						
40	-Taxes Other than Income						(line 17 + line 20)
41	Operating Income Before Adjs						(sum)
42	Additions to Income						
43	Deductions from Income	9,407	9,853	11,394	445	1,541	
44	Debt Synchronization	5,947	6,065	6,189	65	124	(line 30 x line 55)
45	State Taxable Income	(15,354)	(15,918)	(17,583)	(510)	(1,665)	(line 41 + line 42 - line 43 - line 44)
46	State Income Tax Before Credits	(1,505)	(1,560)	(1,723)	(50)	(163)	(line 45 x line 56)
47	State Tax Credits						
48	Federal Tax Deductions						
49	Federal Taxable Income	(13,849)	(14,358)	(15,860)	(460)	(1,502)	(line 45 - line 46 + line 47 - line 48)
50	Federal Income Tax Before Credits	(4,847)	(5,025)	(5,551)	(161)	(526)	(line 49 x 35%)
51	Federal Tax Credits						
52	Total Income Taxes	(6,352)	(6,585)	(7,274)	(211)	(689)	(line 46 - line 47 + line 50 - line 51)
53							
54	Required Rate of Return	7.49%	7.51%	7.51%	7.34%	7.34%	
55	Cost of Debt	2.24%	2.26%	2.26%	2.24%	2.26%	
56	State Tax Rate	9.80%	9.80%	9.80%	9.80%	9.80%	
57	Composite Tax Rate (t)	41.37%	41.37%	41.37%	41.37%	41.37%	
58	Revenue Conversion Factor = 1 / (1 - t)	1.70561	1.70561	1.70561	1.70561	1.70561	

Line No.	Workpaper Reference	(1) Vol 4A, P5 & P9	(2) Vol 4A, P2	(3) Vol 4A, P4-1	(4)	(5) Vol 4A, P5 & P9	(6) Vol 4A, P2	(7) Vol 4A, P4-1	(8)	(9) Vol 4A, P5 & P9	(10) Vol 4A, P2	(11) Vol 4A, P4-1	(12)
		2016				2017				2018			
		Cust Adv, Cust Deposits, M&S Prepays, Misc Debits & Credits	NSPM-Non-Plant	NSPM-Nuc Outage COA	Total	Cust Adv, Cust Deposits, M&S Prepays, Misc Debits & Credits	NSPM-Non-Plant	NSPM-Nuc Outage COA	Total	Cust Adv, Cust Deposits, M&S Prepays, Misc Debits & Credits	NSPM-Non-Plant	NSPM-Nuc Outage COA	Total
1	Accumulated Deferred Income Taxes		(4,295)		(4,295)		(350)		(350)		4,000		4,000
2													
3	Other Rate Base Items												
4	Cash Working Capital												
5	Materials and Supplies	135,797			135,797	135,797			135,797	135,797			135,797
6	Fuel Inventory	73,476			73,476	73,476			73,476	73,476			73,476
7	Non Plant Assets and Liabilities		(3,716)		(3,716)		5,666		5,666		15,903		15,903
8	Customer Advances	(5,562)			(5,562)	(5,562)			(5,562)	(5,562)			(5,562)
9	Customer Deposits	(28,127)			(28,127)	(28,127)			(28,127)	(28,127)			(28,127)
10	Prepayments	19,463		69,844	89,307	19,463		67,309	86,772	19,463		66,911	86,374
11	Regulatory Amortizations												
12	Total Other Rate Base	195,047	(3,716)	69,844	261,175	195,047	5,666	67,309	268,022	195,047	15,903	66,911	277,861
13													
14	Total Average Rate Base	195,047	579	69,844	265,470	195,047	6,016	67,309	268,373	195,047	11,903	66,911	273,861
15													
16	Taxes												
18	Deferred Income Tax and ITC		3,839		3,839		4,051		4,051		4,650		4,650
19	Federal and State Income Tax	(1,807)	(3,897)	(647)	(6,352)	(1,824)	(4,132)	(629)	(6,585)	(1,824)	(4,825)	(626)	(7,274)
21	Total Taxes	(1,807)	(58)	(647)	(2,513)	(1,824)	(81)	(629)	(2,534)	(1,824)	(175)	(626)	(2,624)
22													
23	Total Expenses	(1,807)	(58)	(647)	(2,513)	(1,824)	(81)	(629)	(2,534)	(1,824)	(175)	(626)	(2,624)
24													
25	Total Operating Income	1,807	58	647	2,513	1,824	81	629	2,534	1,824	175	626	2,624
26													
27	Calculation of Revenue Requirements												
28	Rate Base	195,047	579	69,844	265,470	195,047	6,016	67,309	268,373	195,047	11,903	66,911	273,861
29	Required Operating Income	14,609	43	5,231	19,884	14,648	452	5,055	20,155	14,648	894	5,025	20,567
30	Operating Income	1,807	58	647	2,513	1,824	81	629	2,534	1,824	175	626	2,624
31	Income Deficiency	12,802	(15)	4,584	17,371	12,824	371	4,426	17,621	12,824	719	4,399	17,943
32	Revenue Deficiency	21,834	(25)	7,819	29,628	21,873	632	7,548	30,054	21,873	1,226	7,504	30,603
33													
34	Operating Income Before Adjs	-	-	-	-	-	-	-	-	-	-	-	-
35	Deductions from Income		9,407		9,407		9,853		9,853		11,394		11,394
36	Debt Synchronization	4,369	13	1,565	5,947	4,408	136	1,521	6,065	4,408	269	1,512	6,189
37	State Taxable Income	(4,369)	(9,420)	(1,565)	(15,354)	(4,408)	(9,989)	(1,521)	(15,918)	(4,408)	(11,663)	(1,512)	(17,583)
38	State Income Tax Before Credits	(428)	(923)	(153)	(1,505)	(432)	(979)	(149)	(1,560)	(432)	(1,143)	(148)	(1,723)
39	State Tax Credits												
40	Federal Tax Deductions												
41	Federal Taxable Income	(3,941)	(8,497)	(1,411)	(13,849)	(3,976)	(9,010)	(1,372)	(14,358)	(3,976)	(10,520)	(1,364)	(15,860)
42	Federal Income Tax Before Credits	(1,379)	(2,974)	(494)	(4,847)	(1,392)	(3,153)	(480)	(5,025)	(1,392)	(3,682)	(477)	(5,551)
43	Federal Tax Credits												
44	Total Income Taxes	(1,807)	(3,897)	(647)	(6,352)	(1,824)	(4,132)	(629)	(6,585)	(1,824)	(4,825)	(626)	(7,274)

Line No.	Workpaper Reference	(13) Vol 4A, P2	(14) Vol 4A, P4-1	(15)	(16) Vol 4A, P2	(17) Vol 4A, P4-1	(18)
		2017 Increment (2017 minus 2016)			2018 Increment (2018 minus 2017)		
		NSPM-Non-Plant	NSPM-Nuc Outage COA	Total	NSPM-Non-Plant	NSPM-Nuc Outage COA	Total
1	Accumulated Deferred Income Taxes	3,945		3,945	4,350		4,350
2							
3	Other Rate Base Items						
4	Cash Working Capital						
5	Materials and Supplies						
6	Fuel Inventory						
7	Non Plant Assets and Liabilities	9,382		9,382	10,237		10,237
8	Customer Advances						
9	Customer Deposits						
10	Prepayments		(2,535)	(2,535)		(398)	(398)
11	Regulatory Amortizations						
12	Total Other Rate Base	9,382	(2,535)	6,847	10,237	(398)	9,838
13							
14	Total Average Rate Base	5,437	(2,535)	2,902	5,886	(398)	5,488
15							
16	Taxes						
18	Deferred Income Tax and ITC	212		212	599		599
19	Federal and State Income Tax	(235)	23	(211)	(693)	4	(689)
21	Total Taxes	(22)	23	1	(94)	4	(90)
22							
23	Total Expenses	(22)	23	1	(94)	4	(90)
24							
25	Total Operating Income	22	(23)	(1)	94	(4)	90
26							
27	Calculation of Revenue Requirements						
28	Rate Base	5,437	(2,535)	2,902	5,886	(398)	5,488
29	Required Operating Income	399	(186)	213	432	(29)	403
30	Operating Income	22	(23)	(1)	94	(4)	90
31	Income Deficiency	377	(163)	214	338	(26)	312
32	Revenue Deficiency	642	(277)	365	576	(44)	533
33							
34	Operating Income Before Adjs	-	-	-	-	-	-
35	Deductions from Income	445		445	1,541		1,541
36	Debt Synchronization	122	(57)	65	133	(9)	124
37	State Taxable Income	(567)	57	(510)	(1,674)	9	(1,665)
38	State Income Tax Before Credits	(56)	6	(50)	(164)	1	(163)
39	State Tax Credits						
40	Federal Tax Deductions						
41	Federal Taxable Income	(511)	51	(460)	(1,510)	8	(1,502)
42	Federal Income Tax Before Credits	(179)	18	(161)	(529)	3	(526)
43	Federal Tax Credits						
44	Total Income Taxes	(235)	23	(211)	(693)	4	(689)

