

R-6H

Line No.	MN Jurisdiction - Electric	MN Electric - DIFFERENCE					
		Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
75							
76	Depreciation						
77	Amortization						
78							
79	<u>Taxes:</u>						
80	Property Taxes						
81	ITC Amortization						
82	Deferred Taxes	181,515,315	24,998,503	(31,322,151)	(32,689,570)	(25,595,769)	(14,151,890)
83	Deferred Taxes - NOL	(182,261,036)	(47,018,102)	196,855,493	32,423,646		
84	Less Deferred State Tax Credits		(1,117,701)	(559,000)	1,676,701		
85	<u>Less Deferred Federal Tax Credits</u>	0	(11,209,441)	(99,461,330)	6,007,419	62,693,316	41,970,035
86	Deferred Income Tax & ITC	(745,721)	(34,346,741)	65,513,012	7,418,195	37,097,548	27,818,145
87	Payroll & Other Taxes						
88	Total Taxes Other Than Income	(745,721)	(34,346,741)	65,513,012	7,418,195	37,097,548	27,818,145
89							
90	<u>Income Before Taxes</u>						
91	Total Operating Revenues	(1,823,145)	(2,563,738)	(2,336,431)	(1,944,481)	(1,564,469)	(1,321,571)
92	less: Total Operating Expenses						
93	Book Depreciation						
94	Amortization						
95	<u>Taxes Other than Income</u>	<u>(745,721)</u>	<u>(34,346,741)</u>	<u>65,513,012</u>	<u>7,418,195</u>	<u>37,097,548</u>	<u>27,818,145</u>
96	Total Before Tax Book Income	(1,077,424)	31,783,002	(67,849,443)	(9,362,676)	(38,662,017)	(29,139,716)
97							
98	<u>Tax Additions</u>						
99	Book Depreciation						
100	Deferred Income Taxes and ITC	(745,721)	(34,346,741)	65,513,012	7,418,195	37,097,548	27,818,145
101	Nuclear Fuel Burn (ex. D&D)						
102	Nuclear Outage Accounting						
103	Avoided Tax Interest						
104	<u>Other Book Additions</u>	-	-	-	-	-	-
105	Total Tax Additions	(745,721)	(34,346,741)	65,513,012	7,418,195	37,097,548	27,818,145
106							
107	<u>Tax Deductions</u>						
108	Total Rate Base	186,024	12,602,712	45,220,960	(34,327,391)	(63,653,614)	(92,949,011)
109	Weighted Cost of Debt	2.24%	2.24%	2.26%	2.26%	2.25%	2.28%
110	Debt Interest Expense	4,167	282,301	1,021,994	(775,799)	(1,432,206)	(2,119,237)
111	Nuclear Outage Accounting						
112	Tax Depreciation and Removals	444,784,734	61,256,278	(76,751,730)	(80,102,451)	(62,719,815)	(34,677,761)
113	NOL Generated	(349,270,914)					
114	NOL Utilized	(97,341,132)	(115,213,055)	482,374,271	79,450,830		
115	<u>Other Tax / Book Timing Differences</u>	0	0	0	0	0	0
116	Total Tax Deductions	(1,823,145)	(53,674,477)	406,644,534	(1,427,420)	(64,152,022)	(36,796,999)
117							
118	<u>State Taxes</u>						
119	State Taxable Income	0	51,110,738	(408,980,965)	(517,061)	62,587,553	35,475,428
120	State Income Tax Rate	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%
121	State Taxes before Credits	(0)	5,008,852	(40,080,135)	(50,672)	6,133,580	3,476,592
122	Less State Tax Credits						
123	<u>Deferred State Tax Credits due to NOL</u>	0	1,117,701	559,000	(1,676,701)	0	0
124	Total State Income Taxes	(0)	6,126,553	(39,521,135)	(1,727,373)	6,133,580	3,476,592
125							
126	<u>Federal Taxes</u>						
127	Federal Sec 199 Production Deduction		(3,425,905)	(31,435,296)	1,716,579	5,923,606	3,320,486
128	Federal Taxable Income	0	48,410,090	(338,024,534)	(506,267)	50,530,366	28,678,350
129	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
130	Federal Tax before Credits	0	16,943,531	(118,308,587)	(177,193)	17,685,628	10,037,422
131	Less Federal Tax Credits						
132	<u>Deferred Federal Tax Credits due to NOL</u>	0	11,209,441	99,461,330	(6,007,419)	(62,693,316)	(41,970,035)
133	Total Federal Income Taxes	0	28,152,972	(18,847,257)	(6,184,612)	(45,007,688)	(31,932,613)
134							
135	Total Taxes						
136	Total Taxes Other than Income	(745,721)	(34,346,741)	65,513,012	7,418,195	37,097,548	27,818,145
137	<u>Total Federal and State Income Taxes</u>	<u>0</u>	<u>34,279,525</u>	<u>(58,368,392)</u>	<u>(7,911,985)</u>	<u>(38,874,108)</u>	<u>(28,456,021)</u>
138	Total Taxes	(745,721)	(67,215)	7,144,620	(493,790)	(1,776,560)	(637,876)
139							
140	Total Operating Revenues	(1,823,145)	(2,563,738)	(2,336,431)	(1,944,481)	(1,564,469)	(1,321,571)
141	Total Expenses	(745,721)	(67,215)	7,144,620	(493,790)	(1,776,560)	(637,876)
142							
143	AFDC Debt						
144	AFDC Equity						
145							
146	Net Income	(1,077,424)	(2,496,523)	(9,481,051)	(1,450,691)	212,091	(683,695)
147							

R-6 I

Line No.	MN Jurisdiction - Electric	MN Electric - DIFFERENCE					
		Dec - 2015	Dec - 2016	Dec - 2017	Dec - 2018	Dec - 2019	Dec - 2020
148	Rate of Return (ROR)						
149	Total Operating Income	(1,077,424)	(2,496,523)	(9,481,051)	(1,450,691)	212,091	(683,695)
150	Total Rate Base	186,024	12,602,712	45,220,960	(34,327,391)	(63,653,614)	(92,949,011)
151	ROR (Operating Income / Rate Base)	(0.01%)	(0.04%)	(0.15%)	0.00%	0.04%	0.04%
152							
153	Return on Equity (ROE)						
154	Net Operating Income	(1,077,424)	(2,496,523)	(9,481,051)	(1,450,691)	212,091	(683,695)
155	Debt Interest (Rate Base * Weighted Cost of Debt)	(4,167)	(282,301)	(1,021,994)	775,799	1,432,206	2,119,237
156	Earnings Available for Common	(1,081,591)	(2,778,824)	(10,503,045)	(674,892)	1,644,297	1,435,543
157	Equity Rate Base (Rate Base * Equity Ratio)	97,663	6,616,424	23,741,004	(18,021,880)	(33,418,147)	(48,798,231)
158	ROE (earnings for Common / Equity)	(0.03%)	(0.08%)	(0.29%)	0.01%	0.08%	0.08%
159							
160	Revenue Deficiency						
161	Required Operating Income (Rate Base * Required Return)	13,933	943,943	3,396,094	(2,577,987)	(4,774,021)	(6,999,061)
162	Net Operating Income	(1,077,424)	(2,496,523)	(9,481,051)	(1,450,691)	212,091	(683,695)
163	Operating Income Deficiency	1,091,358	3,440,466	12,877,145	(1,127,296)	(4,986,112)	(6,315,366)
164							
165	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.705611	1.705611	1.705611	1.705611	1.705611	1.705611
166	Revenue Deficiency (Income Deficiency * Conversion Factor)	1,861,432	5,868,099	21,963,406	(1,922,729)	(8,504,370)	(10,771,560)
167							
168	Total Revenue Requirements						
169	Total Retail Revenues						
170	Revenue Deficiency	1,861,432	5,868,099	21,963,406	(1,922,729)	(8,504,370)	(10,771,560)
171	Total Revenue Requirements	1,861,432	5,868,099	21,963,406	(1,922,729)	(8,504,370)	(10,771,560)
172							
	Incremental Deficiency		5,868,099	16,095,307	(23,886,135)	(6,581,641)	(2,267,190)
	Percentage Increase		0.19%	0.53%	-0.79%	-0.21%	-0.07%

Interim Adj 1 Monticello Dry
Cask to CWIP

Xcel Energy
Annual Revenue Requirement
MNGP Dry Cask Fuel Storage Load
2016 Test Year Minnesota Electric Rate Case
(000's)

Rate Analysis

	Total Company	MN Jurisdiction
Plant Investment	(9,686)	(8,460)
Depreciation Reserve	(367)	(321)
CWIP	10,029	8,760
Accumulated Deferred Taxes	(3,666)	(3,202)
	4,376	3,823
Average Rate Base	4,376	3,823
Debt Return	98	86
Equity Return	230	201
Current Income Tax Requirement	7,341	6,413

Book Depreciation	(734)	(641)
Amortization/Tax Addition	-	-
Annual Deferred Tax	(7,332)	(6,404)
ITC Flow Thru	-	-
Tax Depreciation & Removal Expense	(18,526)	(16,182)
AFUDC Expenditure	687	600
Avoided Tax Interest	401	350
Property Taxes	-	-
Rev Req before Interchange	(1,084)	(946)
Interchange Offset		151
MN JUR Revenue Requirement		(795)

Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.8100%	46.2400%	2.2200%
Short Term Debt	1.8400%	1.2600%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	10.0000%	52.5000%	5.2500%
Required Rate of Return			7.4900%
PT Rate		0.0000%	
Tax Rate (MN)	41.3700%		
MN Jur Demand		87.3461%	
Interchange Factor		15.8651%	

Xcel Energy
Annual Revenue Requirement
MNGP Dry Cask Fuel Storage Load
2017 Test Year Minnesota Electric Rate Case
(000's)

Rate Analysis

	Total Company	MN Jurisdiction
Plant Investment	(19,371)	(16,920)
Depreciation Reserve	(1,412)	(1,233)
CWIP	20,747	18,121
Accumulated Deferred Taxes	(7,113)	(6,213)
	9,900	8,647
Average Rate Base	9,900	8,647
Debt Return	224	195
Equity Return	520	454
Current Income Tax Requirement	(715)	(625)

Book Depreciation	(1,355)	(1,184)
Amortization/Tax Addition	-	-
Annual Deferred Tax	438	382
ITC Flow Thru	-	-
Tax Depreciation & Removal Expense	-	-
AFUDC Expenditure	1,376	1,202
Avoided Tax Interest	760	664
Property Taxes	-	-
Rev Req before Interchange	(2,265)	(1,979)
Interchange Offset		317
MN JUR Revenue Requirement		(1,661)

Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.8100%	46.0400%	2.2100%
Short Term Debt	3.5700%	1.4600%	0.0500%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	10.0000%	52.5000%	5.2500%
Required Rate of Return			7.5100%
PT Rate		0.0000%	
Tax Rate (MN)	41.3700%		
MN Jur Demand		87.3461%	
Interchange Factor		15.8651%	

Interim Adj 2 MN Remaining
Life Study Removal

Xcel Energy
Annual Revenue Requirement
Minnesota Remaining Life
2016 Test Year Minnesota Electric Rate Case
(\$'s)

Total Company

Rate Analysis

	2015 Bridge	2016	2017
Plant Investment			
Depreciation Reserve		(5,602,267)	(16,880,749)
CWIP			
Accumulated Deferred Taxes		2,286,267	6,888,982
	-	3,316,000	9,991,767
Average Rate Base	-	3,316,000	9,991,767
Debt Return	-	74,278	225,814
Equity Return	-	169,116	509,580
Current Income Tax Requirement	-	(4,560,282)	(4,381,820)

Book Depreciation		(11,204,532)	(11,352,437)
Annual Deferred Tax		4,572,536	4,632,895
ITC Flow Thru			
Tax Depreciation & Removal Expense			
AFUDC Expenditure			
Avoided Tax Interest			
Property Taxes			
Total Revenue Requirements	-	(10,948,884)	(10,365,967)

MN Jurisdiction

Rate Analysis

	2015 Bridge	2,016	2,017
Plant Investment	-	-	-
Depreciation Reserve	-	(4,893,362)	(14,744,676)
CWIP	-	-	-
Accumulated Deferred Taxes	-	1,996,965	6,017,257
	-	2,896,397	8,727,419
Average Rate Base	-	2,896,397	8,727,419
Debt Return	-	64,879	197,240
Equity Return	-	152,061	458,189
Current Income Tax Requirement	-	(3,980,163)	(3,818,111)

Book Depreciation	-	(9,786,721)	(9,915,911)
Annual Deferred Tax	-	3,993,932	4,046,653
ITC Flow Thru	-	-	-
Tax Depreciation & Removal Expense	-	-	-
AFUDC Expenditure	-	-	-
Avoided Tax Interest	-	-	-
Property Taxes	-	-	-
Total Revenue Requirements	-	(9,556,013)	(9,031,940)

2. Removal - Interim

TCR - Total

Rate Base

CWIP
Plant In Service
Depreciation Reserve
Accumulated Deferred Income Tax
Total Transmission Rate Base

B

MN JUR Inputs

BOY	EOY
(182,966)	(66,925)
(484,934,488)	(487,489,456)
(13,623,732)	(22,805,970)
(85,251,076)	(90,309,676)
(386,242,646)	(374,440,736)
Average	(380,341,691)

Rider Rev

BOY	EOY
0	0
0	0
0	0
0	0
0	0
Average	0

= (B) - C

Rider Removal Entry

124,946
486,211,972
18,214,851
87,780,376
380,341,691

Income Statement

Rider Revenues (Retail Revenues)
RECB Revenue (Other Revenues)
RECB Expense
OATT Revenue Credit (Other Revenues)
Operating & Maintenance
Book Depreciation Expense
Deferred Income Tax Expense
Property Tax Expense
AFUDC (Debt & Equity)

MN JUR Inputs

0
0
0
0
0
(9,182,238)
(5,058,599)
(8,312,202)
0

Rider Rev

(59,087,069)
0
0
0
0
0
0
0
0

59,087,069
0
0
0
0
9,182,238
5,058,599
8,312,202
0

Income Tax Statement

Tax Depreciation Expense
Avoided Tax Interest
Removal (MERP Only)
Production Tax Credit (Wind)

(21,544,050)
0
0
0

0
0
0
0

21,544,050
0
0
0

Amortizations

Over/Under from prior year
Over/Under from current year
Other Amortization
Total Amortization

0
86,113
0
86,113

0
0
0
0

0
(86,113)
0
(86,113)

Return

Debt Return
Equity Return
Total Return

(8,519,654)
(19,967,939)
(28,487,593)

0
0
0

8,519,654
19,967,939
28,487,593

Expenses

Operating & Maintenance
Book Depreciation Expense
Deferred Income Tax Expense
Property Tax Expense
Amortization
Total Expense

0
(9,182,238)
(5,058,599)
(8,312,202)
86,113
(22,466,927)

0
0
0
0
0
0

0
9,182,238
5,058,599
8,312,202
(86,113)
22,466,927

Income Tax

Equity Return
Book Depreciation
Deferred Taxes
Avoided Tax Interest
Less: Tax Depreciation
Less: PTC (Gross-Up)
Less: Removal Costs
Total Basis
Income Tax Factor $t/(1-t)$
Income Tax Revenue Req

(19,967,939)
(9,182,238)
(5,058,599)
0
21,544,050
0
0
(12,664,725)
0.7056
(8,936,375)

0
0
0
0
0
0
0
0
0.7056
0

19,967,939
9,182,238
5,058,599
0
(21,544,050)
0
0
12,664,725
0.7056
8,936,375

Total Revenue Requirement
Less Revenues
Impact to COSS Def of removing rider

(59,890,895)
0
59,890,895

0
59,087,069
(59,087,069)

59,890,895
(59,087,069)
(803,826)

Impact of rolling rider into COSS

(59,890,895)

59,087,069

803,826

XI Interim 3-1