Appendix D

Xcel Energy Revenue Requirement

Total Project Summary

Line No.	Amounts in dollars	Gopher to Badger - Total Project Cost		
		Line (A)	Subs (B)	Total
1	**All-in project revenue requirement**	**1,518,791,790**	**-**	**1,518,791,790**
2				
3				
4	Calculation to NSP loads:			
5		**Line (A)**	**Subs (B)**	**Total**
6	Total NSP Revenue Requirement	1,518,791,790	-	1,518,791,790
7	**Net cost - NSP Companies**	1,518,791,790	-	**1,518,791,790**
8				
9	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%
10	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%
11				
12	**Net cost to MN Jurisdiction**	**1,112,129,403**	**-**	**1,112,129,403**

NOTE: Tax assumptions include 21% corp Fed tax rate

BASE

Project Summary - Year 1

Line No.	Amounts in dollars	Gopher to Badger - Total Project Cost		
		Line (A)	Subs (B)	Total
1	**All-in project revenue requirement**	**51,015,420**	**-**	**51,015,420**
2				
3				
4	Calculation to NSP loads:			
5		**Line (A)**	**Subs (B)**	**Total**
6	Total NSP Revenue Requirement	51,015,420	-	51,015,420
7	**Net cost - NSP Companies**	51,015,420	-	**51,015,420**
8				
9	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%
10	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%
11				
12	**Net cost to MN Jurisdiction**	**37,355,844**	**-**	**37,355,844**

NOTE: Tax assumptions include 21% corp Fed tax rate

BASE

Total - NSP Project Cost

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Cost Assumptions			
Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.4000%	47.0800%	2.0700%
Short Term Debt	4.1700%	0.4200%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.2500%	52.5000%	4.8600%
Required Rate of Return			6.9500%
Tax Rate (MN)	28.7420%		

Easement = 66,758,388

Line No.	Rate Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
1	Project Spend Less CIAC														
2	Line - Less CIAC	427,771,034													
3	Sub	-													
4	**Total**	427,771,034													
5															
6	Revenue Requirement														
7	Line - 53.78% owned by other TOU's		51,015,420	49,687,083	48,194,637	46,785,401	45,451,054	44,184,662	42,965,883	41,762,360	40,558,375	39,354,389	38,150,404	36,946,418	35,742,433
8	Sub		-	-	-	-	-	-	-	-	-	-	-	-	-
9															
10	**Project Revenue Requirements - NSP**		51,015,420	49,687,083	48,194,637	46,785,401	45,451,054	44,184,662	42,965,883	41,762,360	40,558,375	39,354,389	38,150,404	36,946,418	35,742,433
11															
12	**Total Revenue Requirements - NSP**		51,015,420	49,687,083	48,194,637	46,785,401	45,451,054	44,184,662	42,965,883	41,762,360	40,558,375	39,354,389	38,150,404	36,946,418	35,742,433
13															
14	FERC Interchange Agreement allocator to NSPM		84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%
15	Demand Allocator - MN Jurisdiction		87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
16															
17	**Total Revenue Requirements - MN Jurisdiction**		37,355,844	36,383,174	35,290,336	34,258,429	33,281,358	32,354,047	31,461,602	30,580,326	29,698,713	28,817,099	27,935,485	27,053,872	26,172,258
18															
19															
20	**Discount Rate =**	0.063492922													
21															
22	**Present Value of Revenue Requirements - NSP**	561,566,854	47,969,685	43,931,324	40,067,745	36,573,957	33,409,574	30,539,640	27,924,250	25,521,618	23,306,073	21,264,106	19,382,888	17,650,503	16,055,885
23		-													
24															
25															
26			11.93%	11.62%	11.27%	10.94%	10.63%	10.33%	10.04%	9.76%	9.48%	9.20%	8.92%	8.64%	8.36%

BASE

Total - NSP Project Cost

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Line No.	Rate Analysis	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1	Project Spend Less CIAC							
2	Line - Less CIAC							
3	Sub							
4	**Total**							
5								
	Revenue Requirement							
7	Line - 53.78% owned by other TOU's	34,538,447	33,334,462	34,061,986	33,267,577	32,609,539	31,951,502	31,293,464
8	Sub	-	-	-	-	-	-	-
9								
10	**Project Revenue Requirements - NSP**	34,538,447	33,334,462	34,061,986	33,267,577	32,609,539	31,951,502	31,293,464
11								
12	**Total Revenue Requirements - NSP**	34,538,447	33,334,462	34,061,986	33,267,577	32,609,539	31,951,502	31,293,464
13								
14	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%
15	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
16								
17	**Total Revenue Requirements - MN Jurisdiction**	25,290,644	24,409,031	24,941,758	24,360,054	23,878,209	23,396,363	22,914,518
18								
19								
20	**Discount Rate =**							
21								
22	**Present Value of Revenue Requirements - NSP**	14,588,759	13,239,586	12,720,855	11,682,422	10,767,671	9,920,505	9,136,115
23								
24								
25								
26		8.07%	7.79%	7.96%	7.78%	7.62%	7.47%	7.32%

Rev. Req. Line

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Cost Assumptions			
Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.4000%	47.0800%	2.0700%
Short Term Debt	4.1700%	0.4200%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.2500%	52.5000%	4.8600%
Required Rate of Return			6.9500%
Tax Rate (MN)	28.7420%		

Easement = 66,758,388

Line No.	Rate Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
1	Plant Investment		427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034
2	Depreciation Reserve		(10,363,955)	(20,727,911)	(31,091,866)	(41,455,821)	(51,819,777)	(62,183,732)	(72,547,687)	(82,911,643)	(93,275,598)	(103,639,553)	(114,003,509)
3	Removal Expense		-	-	-	-	-	-	-	-	-	-	-
4	Accumulated Deferred Taxes		(2,209,305)	(9,087,911)	(14,980,776)	(19,991,661)	(24,203,577)	(27,689,158)	(30,832,323)	(33,975,488)	(37,129,029)	(40,272,194)	(43,425,735)
5			415,197,774	397,955,213	381,698,393	366,323,552	351,747,680	337,898,144	324,391,024	310,883,904	297,366,407	283,859,287	270,341,790
6													
7	Average Rate Base		421,484,404	406,576,493	389,826,803	374,010,972	359,035,616	344,822,912	331,144,584	317,637,464	304,125,156	290,612,847	277,100,539
8													
9	Debt Return		8,809,024	8,497,449	8,147,380	7,816,829	7,503,844	7,206,799	6,920,922	6,638,623	6,356,216	6,073,809	5,791,401
10	Equity Return		20,484,142	19,759,618	18,945,583	18,176,933	17,449,131	16,758,394	16,093,627	15,437,181	14,780,483	14,123,784	13,467,086
11	Current Income Tax Requirement		4,257,860	(703,679)	(46,280)	525,664	1,031,073	1,478,799	1,553,080	1,288,302	1,013,046	758,542	483,286
12													
13	Book Depreciation		10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955
14	Annual Deferred Tax		2,209,305	6,878,606	5,892,865	5,010,886	4,211,916	3,485,580	3,143,165	3,143,165	3,153,541	3,143,165	3,153,541
15	ITC Flow Thru		-	-	-	-	-	-	-	-	-	-	-
16	Tax Depreciation & Removal Expense		18,050,632	34,296,201	30,866,581	27,797,974	25,018,176	22,491,088	21,299,746	21,299,746	21,335,847	21,299,746	21,335,847
17	Tax Depreciation on Easements		4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559	4,450,559
18	AFUDC Expenditure		-	-	-	-	-	-	-	-	-	-	-
19	Book Depreciation Cleared to Operating		-	-	-	-	-	-	-	-	-	-	-
20	Avoided Tax Interest		-	-	-	-	-	-	-	-	-	-	-
21	Property Tax		4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134
22													
23	Total Revenue Requirements - NSP		51,015,420	49,687,083	48,194,637	46,785,401	45,451,054	44,184,662	42,965,883	41,762,360	40,558,375	39,354,389	38,150,404
24													
25	Discount Rate =	0.063492922											
26													
27	Present Value of Revenue Requirements	561,566,854	47,969,685	43,931,324	40,067,745	36,573,957	33,409,574	30,539,640	27,924,250	25,521,618	23,306,073	21,264,106	19,382,888
28													
29	**Level Annual Revenue Requirement**	**36,457,648**											
30													
31	**62 Year Life LARR %**	**8.52%**											

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BASE

Rev. Req. Line

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Line No.	Rate Analysis	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1	Plant Investment	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034	427,771,034
2	Depreciation Reserve	(124,367,464)	(134,731,419)	(145,095,375)	(155,459,330)	(165,823,285)	(176,187,241)	(186,551,196)	(196,915,151)	(207,279,107)
3	Removal Expense	-	-	-	-	-	-	-	-	-
4	Accumulated Deferred Taxes	(46,568,900)	(49,722,441)	(52,865,606)	(56,019,148)	(56,101,326)	(53,122,518)	(50,143,710)	(47,164,902)	(44,186,094)
5		256,834,670	243,317,173	229,810,053	216,292,557	205,846,423	198,461,275	191,076,128	183,690,981	176,305,834
6										
7	Average Rate Base	263,588,230	250,075,922	236,563,613	223,051,305	211,069,490	202,153,849	194,768,702	187,383,555	179,998,407
8										
9	Debt Return	5,508,994	5,226,587	4,944,180	4,661,772	4,411,352	4,225,015	4,070,666	3,916,316	3,761,967
10	Equity Return	12,810,388	12,153,690	11,496,992	10,840,293	10,257,977	9,824,677	9,465,759	9,106,841	8,747,923
11	Current Income Tax Requirement	228,782	(46,474)	(300,978)	(576,234)	4,055,389	6,941,603	6,796,833	6,652,063	6,507,293
12										
13	Book Depreciation	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955	10,363,955
14	Annual Deferred Tax	3,143,165	3,153,541	3,143,165	3,153,541	82,178	(2,978,808)	(2,978,808)	(2,978,808)	(2,978,808)
15	ITC Flow Thru	-	-	-	-	-	-	-	-	-
16	Tax Depreciation & Removal Expense	21,299,746	21,335,847	21,299,746	21,335,847	10,649,873	-	-	-	-
17	Tax Depreciation on Easements	4,450,559	4,450,559	4,450,559	4,450,559	-	-	-	-	-
18	AFUDC Expenditure	-	-	-	-	-	-	-	-	-
19	Book Depreciation Cleared to Operating	-	-	-	-	-	-	-	-	-
20	Avoided Tax Interest	-	-	-	-	-	-	-	-	-
21	Property Tax	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134	4,891,134
22										
23	Total Revenue Requirements - NSP	36,946,418	35,742,433	34,538,447	33,334,462	34,061,986	33,267,577	32,609,539	31,951,502	31,293,464
24										
25	Discount Rate =									
26										
27	Present Value of Revenue Requirements	17,650,503	16,055,885	14,588,759	13,239,586	12,720,855	11,682,422	10,767,671	9,920,505	9,136,115
28										
29	**Level Annual Revenue Requirement**									
30										
31	**62 Year Life LARR %**									

Key Inputs

Line No	**Capital Structure**			
1			**2025**	
2	Capital Structure	Cost	Ratio	WACC
3	Long Term Debt	4.4000%	47.0800%	2.07%
4	Short Term Debt	4.1700%	0.4200%	0.02%
5	Preferred Stock	0.0000%	0.0000%	0.00%
6	Common Equity	9.2500%	52.5000%	4.86%
7	**Required Rate of Return**			6.95%
8	(Rates and Ratios in Docket E002/GR-21-630)			
9				
10	**Property Tax Rates**			
11	Property Tax Rate			1.143%
12	(percentage based on last TCR filing in Docket No. E002M-25-386)			
13				
14	**Income Tax Rates**			
15	Federal Tax Rate			21.00%
16	StateTax Rate			9.80%
17	State Composite Income Tax Rate			28.7420%
18				
19	**Allocators (2025 Budget - Year 2025)**			
20	MN 12-month CP demand (Electric Demand)			87.1003%
21	NSPM 36-month CP demand (Interchange Electric)			84.0693%
22	Jurisdictional Allocator			73.2246%
23				
24	**Book Depreciation Lives**			
25	Land			0.00
26	Line			61.51
27	Sub			55.57
28				
29	**Net Salvage %**			
30	Land			0.00%
31	Line			-49.02%
32	Sub			-19.55%
33				
34	**Book Depreciation Rates**			
35	Land			0.00%
36	Line			2.42%
37	Sub			2.15%

HIGH

Total Project Summary

Amounts in dollars

Line No.		Line (A)	Subs (B)	Total
		Gopher to Badger - Total Project Cost		
1	**All-in project revenue requirement**	**1,971,337,049**	**-**	**1,971,337,049**
2				
3				
4	Calculation to NSP loads:			
5		**Line (A)**	**Subs (B)**	**Total**
6	Total NSP Revenue Requirement	1,971,337,049	-	1,971,337,049
7	**Net cost - NSP Companies**	1,971,337,049	-	**1,971,337,049**
8				
9	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%
10	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%
11				
12	**Net cost to MN Jurisdiction**	**1,443,503,916**	**-**	**1,443,503,916**

NOTE: Tax assumptions include 21% corp Fed tax rate

HIGH

Project Summary - Year 1

Line No.	Amounts in dollars	Gopher to Badger - Total Project Cost		
		Line (A)	Subs (B)	Total
1	**All-in project revenue requirement**	**66,554,674**	**-**	**66,554,674**
2				
3				
4	Calculation to NSP loads:			
5		**Line (A)**	**Subs (B)**	**Total**
6	Total NSP Revenue Requirement	66,554,674	-	66,554,674
7	**Net cost - NSP Companies**	66,554,674	-	**66,554,674**
8				
9	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%
10	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%
11				
12	**Net cost to MN Jurisdiction**	**48,734,402**	**-**	**48,734,402**

NOTE: Tax assumptions include 21% corp Fed tax rate

HIGH

Total - NSP Project Cost

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Cost Assumptions			
Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.4000%	47.0800%	2.0700%
Short Term Debt	4.1700%	0.4200%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.2500%	52.5000%	4.8600%
Required Rate of Return			6.9500%
Tax Rate (MN)	28.7420%		

Easement = 81,230,114

Line No.	Rate Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
1	Project Spend Less CIAC														
2	Line - Less CIAC	556,822,124													
3	Sub	-													
4	**Total**	556,822,124													
5															
	Revenue Requirement														
7	Line - 39.77% owned by other TOU's		66,554,674	64,815,076	62,859,284	61,013,112	59,265,597	57,607,604	56,012,338	54,437,168	52,861,390	51,285,611	49,709,832	48,134,054	46,558,275
8	Sub		-	-	-	-	-	-	-	-	-	-	-	-	-
9															
10	**Project Revenue Requirements - NSP**		66,554,674	64,815,076	62,859,284	61,013,112	59,265,597	57,607,604	56,012,338	54,437,168	52,861,390	51,285,611	49,709,832	48,134,054	46,558,275
11															
12	**Total Revenue Requirements - NSP**		66,554,674	64,815,076	62,859,284	61,013,112	59,265,597	57,607,604	56,012,338	54,437,168	52,861,390	51,285,611	49,709,832	48,134,054	46,558,275
13															
14	FERC Interchange Agreement allocator to NSPM		84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%
15	Demand Allocator - MN Jurisdiction		87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
16															
17	**Total Revenue Requirements - MN Jurisdiction**		48,734,402	47,460,588	46,028,467	44,676,615	43,397,004	42,182,945	41,014,817	39,861,406	38,707,548	37,553,690	36,399,832	35,245,974	34,092,116
18															
19															
20	**Discount Rate =**	0.063492922													
21															
22	**Present Value of Revenue Requirements - NSP**	730,967,919	62,581,210	57,306,888	52,259,545	47,696,308	43,564,190	39,817,335	36,403,360	33,267,387	30,375,759	27,710,828	25,255,831	22,995,200	20,914,478
23		-													
24															
25															
26			11.95%	11.64%	11.29%	10.96%	10.64%	10.35%	10.06%	9.78%	9.49%	9.21%	8.93%	8.64%	8.36%

HIGH

Total - NSP Project Cost

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Line No.	Rate Analysis	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1	Project Spend Less CIAC							
2	Line - Less CIAC							
3	Sub							
4	**Total**							
5								
	Revenue Requirement							
7	Line - 39.77% owned by other TOU's	44,982,496	43,406,718	44,194,877	43,158,667	42,302,111	41,445,554	40,588,998
8	Sub	-	-	-	-	-	-	-
9								
10	**Project Revenue Requirements - NSP**	44,982,496	43,406,718	44,194,877	43,158,667	42,302,111	41,445,554	40,588,998
11								
12	**Total Revenue Requirements - NSP**	44,982,496	43,406,718	44,194,877	43,158,667	42,302,111	41,445,554	40,588,998
13								
14	FERC Interchange Agreement allocator to NSPM	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%	84.1%
15	Demand Allocator - MN Jurisdiction	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
16								
17	**Total Revenue Requirements - MN Jurisdiction**	32,938,259	31,784,401	32,361,527	31,602,767	30,975,557	30,348,347	29,721,136
18								
19								
20	**Discount Rate =**							
21								
22	**Present Value of Revenue Requirements - NSP**	19,000,241	17,240,025	16,505,104	15,155,831	13,968,159	12,868,279	11,849,943
23								
24								
25								
26		8.08%	7.80%	7.94%	7.75%	7.60%	7.44%	7.29%

HIGH

Rev. Req. Line

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Cost Assumptions			
Capital Structure	Rate	Ratio	Weighted Cost
Long Term Debt	4.4000%	47.0800%	2.0700%
Short Term Debt	4.1700%	0.4200%	0.0200%
Preferred Stock	0.0000%	0.0000%	0.0000%
Common Equity	9.2500%	52.5000%	4.8600%
Required Rate of Return			6.9500%
Tax Rate (MN)	28.7420%		

Easement = 81,230,114

Line No.	Rate Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
1	Plant Investment		556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124
2	Depreciation Reserve		(13,490,581)	(26,981,161)	(40,471,742)	(53,962,323)	(67,452,903)	(80,943,484)	(94,434,064)	(107,924,645)	(121,415,226)	(134,905,806)	(148,396,387)
3	Removal Expense		-	-	-	-	-	-	-	-	-	-	-
4	Accumulated Deferred Taxes		(2,957,270)	(12,065,800)	(19,875,730)	(26,523,756)	(32,119,233)	(36,757,847)	(40,945,369)	(45,132,891)	(49,334,083)	(53,521,605)	(57,722,796)
5			540,374,273	517,775,163	496,474,652	476,336,046	457,249,988	439,120,793	421,442,691	403,764,588	386,072,816	368,394,713	350,702,941
6													
7	Average Rate Base		548,598,199	529,074,718	507,124,908	486,405,349	466,793,017	448,185,391	430,281,742	412,603,639	394,918,702	377,233,765	359,548,827
8													
9	Debt Return		11,465,702	11,057,662	10,598,911	10,165,872	9,755,974	9,367,075	8,992,888	8,623,416	8,253,801	7,884,186	7,514,570
10	Equity Return		26,661,872	25,713,031	24,646,271	23,639,300	22,686,141	21,781,810	20,911,693	20,052,537	19,193,049	18,333,561	17,474,073
11	Current Income Tax Requirement		5,612,544	(921,432)	(53,112)	702,630	1,370,721	1,962,821	2,062,950	1,716,409	1,356,064	1,023,058	662,713
12													
13	Book Depreciation		13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581
14	Annual Deferred Tax		2,957,270	9,108,530	7,809,930	6,648,026	5,595,477	4,638,614	4,187,522	4,187,522	4,201,191	4,187,522	4,201,191
15	ITC Flow Thru		-	-	-	-	-	-	-	-	-	-	-
16	Tax Depreciation & Removal Expense		23,779,601	45,181,241	40,663,117	36,620,585	32,958,526	29,629,382	28,059,929	28,059,929	28,107,488	28,059,929	28,107,488
17	Tax Depreciation on Easements		5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341	5,415,341
18	AFUDC Expenditure		-	-	-	-	-	-	-	-	-	-	-
19	Book Depreciation Cleared to Operating		-	-	-	-	-	-	-	-	-	-	-
20	Avoided Tax Interest		-	-	-	-	-	-	-	-	-	-	-
21	Property Tax		6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704
22													
23	Total Revenue Requirements - NSP		66,554,674	64,815,076	62,859,284	61,013,112	59,265,597	57,607,604	56,012,338	54,437,168	52,861,390	51,285,611	49,709,832
24													
25	Discount Rate =	0.063492922											
26													
27	Present Value of Revenue Requirements	730,967,919	62,581,210	57,306,888	52,259,545	47,696,308	43,564,190	39,817,335	36,403,360	33,267,387	30,375,759	27,710,828	25,255,831
28													
29	**Level Annual Revenue Requirement**	**47,455,384**											
30													
31	**62 Year Life LARR %**	**8.52%**											

HIGH

Rev. Req. Line

LRTP Tranche 2.1 Gopher to Badger CON
62 YEAR LIFE

Line No.	Rate Analysis	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1	Plant Investment	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124	556,822,124
2	Depreciation Reserve	(161,886,968)	(175,377,548)	(188,868,129)	(202,358,709)	(215,849,290)	(229,339,871)	(242,830,451)	(256,321,032)	(269,811,613)
3	Removal Expense	-	-	-	-	-	-	-	-	-
4	Accumulated Deferred Taxes	(61,910,318)	(66,111,510)	(70,299,032)	(74,500,223)	(74,655,253)	(70,777,790)	(66,900,327)	(63,022,865)	(59,145,402)
5		333,024,839	315,333,066	297,654,964	279,963,192	266,317,581	256,704,463	247,091,346	237,478,228	227,865,110
6										
7	Average Rate Base	341,863,890	324,178,952	306,494,015	288,809,078	273,140,387	261,511,022	251,897,905	242,284,787	232,671,669
8										
9	Debt Return	7,144,955	6,775,340	6,405,725	6,036,110	5,708,634	5,465,580	5,264,666	5,063,752	4,862,838
10	Equity Return	16,614,585	15,755,097	14,895,609	14,036,121	13,274,623	12,709,436	12,242,238	11,775,041	11,307,843
11	Current Income Tax Requirement	329,707	(30,638)	(363,644)	(723,989)	5,199,305	9,003,829	8,815,384	8,626,939	8,438,495
12										
13	Book Depreciation	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581	13,490,581
14	Annual Deferred Tax	4,187,522	4,201,191	4,187,522	4,201,191	155,030	(3,877,463)	(3,877,463)	(3,877,463)	(3,877,463)
15	ITC Flow Thru	-	-	-	-	-	-	-	-	-
16	Tax Depreciation & Removal Expense	28,059,929	28,107,488	28,059,929	28,107,488	14,029,964	-	-	-	-
17	Tax Depreciation on Easements	5,415,341	5,415,341	5,415,341	5,415,341	-	-	-	-	-
18	AFUDC Expenditure	-	-	-	-	-	-	-	-	-
19	Book Depreciation Cleared to Operating	-	-	-	-	-	-	-	-	-
20	Avoided Tax Interest	-	-	-	-	-	-	-	-	-
21	Property Tax	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704	6,366,704
22										
23	Total Revenue Requirements - NSP	48,134,054	46,558,275	44,982,496	43,406,718	44,194,877	43,158,667	42,302,111	41,445,554	40,588,998
24										
25	Discount Rate =									
26										
27	Present Value of Revenue Requirements	22,995,200	20,914,478	19,000,241	17,240,025	16,505,104	15,155,831	13,968,159	12,868,279	11,849,943
28										
29	**Level Annual Revenue Requirement**									
30										
31	**62 Year Life LARR %**									

Key Inputs

Line No	**Capital Structure**				
1			**2025**		
2	Capital Structure	Cost	Ratio	WACC	
3	Long Term Debt	4.4000%	47.0800%		2.07%
4	Short Term Debt	4.1700%	0.4200%		0.02%
5	Preferred Stock	0.0000%	0.0000%		0.00%
6	Common Equity	9.2500%	52.5000%		4.86%
7	**Required Rate of Return**				6.95%
8	(Rates and Ratios in Docket E002/GR-21-630)				
9					
10	**Property Tax Rates**				
11	Property Tax Rate				1.143%
12	(percentage based on last TCR filing in Docket No. E002M-25-386)				
13					
14	**Income Tax Rates**				
15	Federal Tax Rate				21.00%
16	StateTax Rate				9.80%
17	State Composite Income Tax Rate				28.7420%
18					
19	**Allocators (2025 Budget - Year 2025)**				
20	MN 12-month CP demand (Electric Demand)				87.1003%
21	NSPM 36-month CP demand (Interchange Electric)				84.0693%
22	Jurisdictional Allocator				73.2246%
23					
24	**Book Depreciation Lives**				
25	Land				0.00
26	Line				61.51
27	Sub				55.57
28					
29	**Net Salvage %**				
30	Land				0.00%
31	Line				-49.02%
32	Sub				-19.55%
33					
34	**Book Depreciation Rates**				
35	Land				0.00%
36	Line				2.42%
37	Sub				2.15%