

P2-2A

2011 Actual

| Business Unit Allocations | Non - Plant Deferred Tax Assets & Liabilities | | | Allocator | NSP (MN) Company Totals | | | Gas Utility | | | Electric Utility | | | Production | | | Transmission | | | Distribution | | | | | | |
|--|---|----------------------|----------------------|--------------|-------------------------|--------------|---------------|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|---------------------|--------------------|---------------------|---------------------|--------------------|--------------------|------------------|------------------|------------------|---------------------|--------------------|---------------------|---|
| | BOY | Current | EOY | | Utility | Business | Jurisdiction | BOY | Current | EOY | BOY | Current | EOY | BOY | Current | EOY | BOY | Current | EOY | BOY | Current | EOY | | | | |
| Current Deferred Tax Assets | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 190 Accrued Vacation Paid | (7,266,423) | (193,254) | (7,266,423) | Included | LABOR | LABOR | DEFAULTS | (7,266,423) | (193,254) | (7,266,423) | (618,459) | (13,780) | (518,459) | (6,747,964) | (179,465) | (6,747,964) | (5,102,189) | (135,695) | (5,102,189) | (301,978) | (8,031) | (301,978) | (1,343,796) | (35,739) | (1,343,796) | |
| Bad Debt Reserve - Net of RDF | (8,971,178) | (818,953) | (8,971,178) | Included | PRETAX | BAD DEBT | CUSTOMERS | (8,971,178) | (818,953) | (8,971,178) | (778,851) | (71,099) | (778,851) | (8,192,327) | (747,854) | (8,192,327) | (47,515) | (4,338) | (47,515) | 30,312 | 2,787 | 30,312 | (8,175,123) | (746,283) | (8,175,123) | |
| Deferred Revenues | (183,716) | - | (183,716) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Employee Incentive | (3,500,315) | (6,649,735) | (3,500,315) | Included | LABOR | LABOR | DEFAULTS | (3,500,315) | (6,649,735) | (3,500,315) | (249,747) | (474,459) | (249,747) | (3,250,568) | (6,175,276) | (3,250,568) | (2,457,780) | (4,869,176) | (2,457,780) | (145,466) | (276,350) | (145,466) | (647,321) | (1,229,751) | (647,321) | |
| Environmental Remediation | (186,297) | (154,540) | (186,297) | Included | ENVIRON | PRODUCTION | DEFAULTS | (186,297) | (154,540) | (186,297) | (165,290) | (137,114) | (165,290) | (21,007) | (17,426) | (21,007) | (21,007) | (17,426) | (21,007) | - | - | - | - | - | - | |
| Fuel Tax Credit - Inc Addback | (4,542) | - | (4,542) | Included | ELE | PRODUCTION | ENERGY | (4,542) | - | (4,542) | - | - | - | (4,542) | - | (4,542) | (4,542) | - | (4,542) | - | - | - | - | - | - | |
| Fuel Tax Credit - Inc Addback FED Only | - | - | - | Included | ELE | PRODUCTION | ENERGY | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Interest Income/Expense on Disputed Tax | (578,250) | (1,156,501) | (578,250) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Inventory Reserve | (327,299) | 89,199 | (327,299) | Included | PTDG | PTDRS | DEFAULTS | (327,299) | 89,199 | (327,299) | (26,544) | 7,234 | (26,544) | (300,755) | 81,965 | (300,755) | (167,296) | 45,593 | (167,296) | (49,859) | 13,534 | (49,859) | (83,800) | 22,838 | (83,800) | |
| Lower of Cost or Mkt on Gas Inventory | (431,436) | - | (431,436) | Included | GAS | ENERGY MKTS | LOAD DISPATCH | (431,436) | - | (431,436) | (431,436) | - | (431,436) | - | - | - | - | - | - | - | - | - | - | - | - | |
| Pending Lawsuits | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Medical Deductions-Self Insured-Total | (15,811) | (669,895) | (15,811) | Included | LABOR | LABOR | DEFAULTS | (15,811) | (669,895) | (15,811) | (1,128) | (47,797) | (1,128) | (14,883) | (622,098) | (14,883) | (11,102) | (470,373) | (11,102) | (657) | (27,840) | (657) | (2,924) | (123,885) | (2,924) | |
| Nuclear Refueling Outage Costs | (701,538) | (1,403,075) | (701,538) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Post Employment Benefits - FAS 106 Medicare | (16,062) | (715,003) | (16,062) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Post Employment Benefits - FAS 106(Short Term) | (903,838) | 1,245,005 | (903,838) | Included | LABOR | LABOR | DEFAULTS | (903,838) | 1,245,005 | (903,838) | (64,489) | 88,831 | (64,489) | (839,349) | 1,156,174 | (839,349) | (634,639) | 874,192 | (634,639) | (37,562) | 51,740 | (37,562) | (167,149) | 230,242 | (167,149) | |
| Rate Refund Reserve - E | (15,203,751) | (28,591,169) | (15,203,751) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Rate Refund Reserve - G | (688,403) | 1,376,945 | (688,403) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Reg Liab - Transmission Attach O | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Reg Asset - RES Rider | (695,958) | (1,391,913) | (695,958) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Reg Asset - Mercury Reduction | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Reg Liability - TCR Rider | (34,776) | (69,551) | (34,776) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Sale of Emission Allowances | (146,807) | (283,611) | (146,807) | Included | ELE | MN GEN/ P&R | ENERGY | (146,807) | (283,611) | (146,807) | - | - | - | (146,807) | (283,611) | (146,807) | (146,807) | (283,611) | (146,807) | - | - | - | - | - | - | |
| Severance Accrual - Total | (288,377) | (3,060) | (288,377) | Included | LABOR | LABOR | DEFAULTS | (288,377) | (3,060) | (288,377) | (20,576) | (218) | (20,576) | (267,801) | (2,842) | (267,801) | (202,487) | (2,149) | (202,487) | (11,984) | (127) | (11,984) | (53,330) | (566) | (53,330) | |
| State Tax Deduct Cash vs Accrual | (1,342,399) | - | (1,342,399) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Unbilled Revenue - Electric | - | - | - | Included | ELE | UNBILLED REV | CUSTOMERS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Unbilled Revenue - Gas | - | - | - | Included | GAS | UNBILLED REV | CUSTOMERS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Workers Compensation | (50,251) | 2,974 | (50,251) | Included | LABOR | LABOR | DEFAULTS | (50,251) | 2,974 | (50,251) | (3,585) | 212 | (3,585) | (46,666) | 2,762 | (46,666) | (35,284) | 2,088 | (35,284) | (2,088) | 124 | (2,088) | (9,293) | 550 | (9,293) | |
| Total Current Deferred Tax Assets | (41,537,427) | (39,396,127) | (41,537,427) | | | | | (22,092,574) | (7,445,870) | (22,092,574) | (2,260,105) | (648,198) | (2,260,105) | (19,832,469) | (6,797,672) | (19,832,469) | (8,830,648) | (4,670,894) | (8,830,648) | (519,083) | (244,183) | (519,083) | (10,482,737) | (1,882,594) | (10,482,737) | |
| Long Term Deferred Tax Assets | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 190 Environmental Remediation - LT | (462,695) | (835,959) | (462,695) | Included | ENVIRON | PRODUCTION | DEFAULTS | (462,695) | (835,959) | (462,695) | (410,521) | (741,095) | (410,521) | (52,174) | (94,264) | (52,174) | (52,174) | (94,264) | (52,174) | - | - | - | - | - | - | - |
| Economic Development Securities w/o | (243,454) | - | (243,454) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Electric Vehicle Credit | (3,750) | (7,500) | (3,750) | Included | TRAC | TRAC | DEFAULTS | (3,750) | (7,500) | (3,750) | (518) | (1,036) | (518) | (3,232) | (6,464) | (3,232) | (151) | (302) | (151) | (335) | (670) | (335) | (2,746) | (5,491) | (2,746) | |
| Federal NOL Benefit - Electric | (123,646,653) | (138,010,149) | (123,646,653) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Federal NOL Benefit - Gas | (4,793,285) | (5,399,517) | (4,793,285) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| GBC Carryforward - LT Utility | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Interest Income On Disputed Tax - Gas | 409,392 | 1,414,227 | 409,392 | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Investment Tax Credits | (452,259) | - | (452,259) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| ITC Grant - FED DIT Only | (2,758,246) | (587,850) | (2,758,246) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Nuclear Refueling Outage Costs - LT | (1,403,074) | 2,806,150 | (1,403,074) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Post Employment Benefits FAS 112 | (7,400,794) | (275,329) | (7,400,794) | Included | LABOR | LABOR | DEFAULTS | (7,400,794) | (275,329) | (7,400,794) | (528,047) | (19,645) | (528,047) | (6,872,747) | (255,684) | (6,872,747) | (5,196,539) | (193,325) | (5,196,539) | (307,562) | (11,442) | (307,562) | (1,368,846) | (50,917) | (1,368,846) | |
| Retiree Medical - FAS 106 | (29,482,985) | (1,323,956) | (29,482,985) | Included | LABOR | LABOR | DEFAULTS | (29,482,985) | (1,323,956) | (29,482,985) | (2,103,811) | (94,464) | (2,103,811) | (27,379,374) | (1,229,492) | (27,379,374) | (20,701,764) | (929,629) | (20,701,764) | (1,225,254) | (55,021) | (1,225,254) | (5,452,356) | (244,842) | (5,452,356) | |
| Retiree Medical - FAS 106 Medicare | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| R & E Credit | (22,064,143) | (5,187,973) | (22,064,143) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Regulatory Liability - Transmission Attach O | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Regulatory Asset - RES Rider | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Sale of Emission Allowances - Total | (393,101) | 581,582 | (393,101) | Included | ELE | MN GEN/ P&R | ENERGY | (393,101) | 581,582 | (393,101) | - | - | - | (393,101) | 581,582 | (393,101) | (393,101) | 581,582 | (393,101) | - | - | - | - | - | - | |
| State Research Credit | (1,945,085) | - | (1,945,085) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| State Tax Deduct Cash vs Accrual | 178,504 | - | 178,504 | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Weather Swaps | - | - | - | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Wind Power Credit | (22,347,266) | (19,403,742) | (22,347,266) | Not Included | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Pension Expense | - | - | - | Included | LABOR | LABOR | DEFAULTS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Long Term Deferred Tax Assets | (216,808,894) | (166,210,016) | (216,808,894) | | | | | (37,743,325) | (1,861,162) | (37,743,325) | (3,042,697) | (656,841) | (3,042,697) | (34,700,626) | (1,004,321) | (34,700,626) | (26,343,729) | (635,937) | | | | | | | | |

Hydro Production ITC Grant Accounting Conversion

Template V1.2

| Period | Mn Co Electric | | | | | | | | | | | | Jur Electric | | | |
|--------|----------------|----|----|------|--------------|----|----|------|--------------|----|----|------|--------------|----|----|------|
| | Production | | | | Transmission | | | | Distribution | | | | | | | |
| | MN | ND | SD | Whls | MN | ND | SD | Whls | MN | ND | SD | Whls | MN | ND | SD | Whls |

Rate Base

| | | | | | | | | | | | | | | | | | |
|----------------------------|-----|--|--|--|---|--|--|--|--|--|--|--|--|--|--|--|---|
| Plant Investment | BOY | | | | 0 | | | | | | | | | | | | 0 |
| Plant Investment | EOY | | | | 0 | | | | | | | | | | | | 0 |
| Depreciation Reserve | BOY | | | | 0 | | | | | | | | | | | | 0 |
| Depreciation Reserve | EOY | | | | 0 | | | | | | | | | | | | 0 |
| C.W.I.P. | BOY | | | | | | | | | | | | | | | | |
| C.W.I.P. | EOY | | | | | | | | | | | | | | | | |
| Accumulated Deferred Taxes | BOY | | | | 0 | | | | | | | | | | | | 0 |
| Accumulated Deferred Taxes | EOY | | | | 0 | | | | | | | | | | | | 0 |

Statement of Income

| | | | | | | | | | | | | | | | | | | |
|---------------------------|--------|---|---|--|-----|---|---|---|---|---|---|---|---|---|---|--|-----|---|
| Depreciation | Annual | | | | 0 | | | | | | | | | | | | 0 | |
| Amortization | Annual | | | | | | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | | | | | | | |
| Property | Annual | | | | 0 | | | | | | | | | | | | 0 | |
| Gross Earnings Tax | Annual | | | | | | | | | | | | | | | | | |
| Deferred Income Tax & ITC | Annual | | | | (3) | | | | | | | | | | | | (3) | |
| Payroll & other | Annual | | | | | | | | | | | | | | | | | |
| Total Taxes: | Annual | 0 | 0 | | (3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | (3) | 0 |

| | | | | | | | | | | | | | | | | | |
|-------|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| AFUDC | Annual | | | | | | | | | | | | | | | | |
|-------|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Juris Income Tax

| | | | | | | | | | | | | | | | | | | |
|----------------------------|--------|---|---|--|---|---|---|---|---|---|---|---|---|---|---|--|---|---|
| Tax Additions: | | | | | | | | | | | | | | | | | | |
| Nuclear Fuel Burn (ex D&D) | Annual | | | | | | | | | | | | | | | | | |
| Nuclear Outage Accounting | Annual | | | | | | | | | | | | | | | | | |
| Avoided Tax Interest | Annual | | | | 0 | | | | | | | | | | | | 0 | |
| Other Book Additions | Annual | | | | | | | | | | | | | | | | | |
| Total Tax Additions | Annual | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |

| | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--------|---|---|--|---|---|---|---|---|---|---|---|---|---|---|--|---|---|
| Tax Deductions: | | | | | | | | | | | | | | | | | | |
| Tax Depreciation & Removal | Annual | | | | 0 | | | | | | | | | | | | 0 | |
| Manufacture Production Deduction | Annual | | | | | | | | | | | | | | | | | |
| Other Tax/Book Timing Differences | Annual | | | | | | | | | | | | | | | | | |
| Total Tax Deductions | Annual | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |

| | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--------|---|---|--|---|---|---|---|---|---|---|---|---|---|---|--|---|---|
| Tax Credits: | | | | | | | | | | | | | | | | | | |
| State R&E Credits | | | | | | | | | | | | | | | | | | |
| Other State Credits | | | | | | | | | | | | | | | | | | |
| Federal Production Tax Credit (PTC) | | | | | | | | | | | | | | | | | | |
| Other Federal Tax Credits | | | | | | | | | | | | | | | | | | |
| Total Tax Credits | Annual | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |

P2-2F

**Conversion of ITC Grand Accounting Associated with the St Anthony Hydro Facility
2011 Deferred Revenue Amortization Converted to ITC Defereed Tax Amortization**

| | |
|------------------------------------|----------------|
| 2011 Deferred Revenue Amortization | (165,397) |
| Federal Tax Rate | <u>0.35</u> |
| ITC Amortization (Deferred Tax) | (57,889) |
| SD Demand Portion | 5.7712% |
| Deferred ITC | (3,341) |

This item was included in Interchange Billings

| | <u>Total</u> | <u>MN</u> | <u>WI</u> |
|---------------------------|--------------|-----------|-----------|
| 36 mth Interchange Demand | 100.0000% | 83.8019% | 16.1981% |

| | <u>Total</u> | <u>MN</u> | <u>ND</u> | <u>SD</u> | <u>WHL</u> | <u>SL</u> |
|-------------|--------------|-----------|-----------|-----------|------------|-----------|
| EDemandProd | 100.0000% | 88.3621% | 5.7511% | 5.7712% | 0.1156% | |