

2012 Black Dog repowering writeoff amortization

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																	
Statement of Income																	
Operating Expenses:																	
Fuel & Purchased Energy	Annual																
Power Production	Annual			(747)													(43)
Transmission	Annual																
Distribution	Annual																
Customer Accounting	Annual																
Customer Service & Information	Annual																
Sales, Econ Dvlp & Other	Annual																
Administrative & General	Annual																
Total Operating Expenses:	Annual	0	0	(747)	0	0	0	0	0	0	0	0	0	0	0	(43)	0
Depreciation	Annual																
Amortization	Annual			373												22	
Taxes:																	
Property	Annual																
Gross Earnings Tax	Annual																
Deferred Income Tax & ITC	Annual																
Payroll & other	Annual																
Total Taxes:	Annual	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AFUDC	Annual																
Juris Income Tax																	
Jurisdiction Cash Working Capital																	

Black Dog write-off of repowering abandoned in 2011

2011 write-off amount 891,043 \$s
 Amortization length 2 yrs
 Amount per year to allocate 445,521 \$s

2011 Removal of Costs from Test Year		TOTAL	MN	ND	SD	Whls
Amount per year to allocate	(891,043) \$s					
Interchange	0.838019					
Interchanged amount	(746,711) \$s					
Allocation to Jur demand		1.000000	0.883621	0.057511	0.057712	0.001156
Jurisdictional amount \$s		(746,711)	(659,809)	(42,944)	(43,094)	(863)
Jurisdictional amount \$000s		(747)	(660)	(43)	(43)	(1)
2011 Amortize Write Off over 2 Years		TOTAL	MN	ND	SD	Whls
Amount per year to allocate	445,521 \$s					
Interchange	0.838019					
Interchanged amount	373,355 \$s					
Allocation to Jur demand		1.000000	0.883621	0.057511	0.057712	0.001156
Jurisdictional amount \$s		373,355	329,905	21,472	21,547	432
Jurisdictional amount \$000s		373	330	21	22	-

During 2011, the company delayed the conversion of the Black Dog facility after the project had already begun initial work. A review of the project costs determined that the delay would result in certain costs incurred would be had future value when the project will be re-started, certain other costs included in the work order needed to be expensed. Included in the test year is the full amount of the costs written off. This adjustment is effectively removing the cost from the test year and spreading the cost over two years.