

***Integrated System
Transmission and Ancillary Services
2011 Rate True-up Calculation***

***Western Area Power Administration
Basin Electric Power Cooperative
Heartland Consumers Power District***

Integrated System Transmission and Ancillary Services 2011 Rate True-up Calculation

True-up Calculation Work Sheet	1
IS Transmission Rates - 2011 Actual	2 - 4
IS Transmission Rates – 2011 Estimated.....	5 - 7
IS 2011 Load Data	8 - 10
Western’s 2011 Revenue Requirement Template - Actual Data.....	11 - 15
Western’s 2011 Revenue Requirement Template – Estimated Data	16 - 20
Basin Electric’s 2011 Revenue Requirement Template – Actual Data.....	21 - 24
Basin Electric’s 2011 Revenue Requirement Template – Estimated Data...	25 - 28
Heartland’s 2011 Revenue Requirement Template – Actual Data	29 - 33
Heartland’s 2011 Revenue Requirement Template – Estimated Data	34 - 38
Missouri River Energy Services 2011 Revenue Requirement Template – Actual Data	39 - 42
Missouri River Energy Services 2011 Revenue Requirement Template – Estimated Data	43 - 46
NWPS 2011 Revenue Requirement Template – Actual Data.....	47 - 51
NWPS 2011 Revenue Requirement Template – Estimated Data.....	52 - 56

IS Revenue Requirement True-up - 2011 Rate

A.	Projected Revenue Requirement	\$	157,866,363	2011 Revenue Requirement - Estimate
B.	Actual Revenue Requirement	\$	<u>163,772,435</u>	2011 Revenue Requirement - Actual
C.	Revenue Requirement Over (Under) Collected	\$	(5,906,072)	(A - B)
D.	Estimated Load		4,646,000	2011 Load - Estimate
E.	Actual Load		<u>4,918,000</u>	2011 Load - Actual
F.	Actual Load to Estimated Load Comparison		(272,000)	(D - E)
G.	Over collection due to volume	\$	9,242,560	(A * (B / D) * -1)
H.	Under Collection of Revenue Requirement	\$	(5,906,072)	C
I.	Over Collection due to Volume	\$	<u>9,242,560</u>	G
J.	Total Over Collection	\$	<u>3,336,488</u>	(C + G)

***Integrated System
Transmission Rates
2011 Actual***

INTEGRATED SYSTEM ANNUAL REVENUE REQUIREMENT FOR TRANSMISSION SERVICE

Line

Effective January 1, 2011 - Actual

No.

1			
2			
3	<u>Annual IS Transmission Costs</u>		<u>Notes</u>
4	Basin Electric	46,868,217	Basin Electric Revenue Requirement Template
5	Western	106,742,477	Western Revenue Requirement Template
6	Heartland	790,170	Heartland Revenue Requirement Template
7		\$154,400,864	L4 + L5 + L6
8			
9			
10	<u>Transmission Customer Facility Credits</u>		
11		5,735,793	MRES Revenue Requirement Template
12		3,635,778	NWPS Revenue Requirement Template
13		\$9,371,571	L11 + L12
14			
15			
16	<u>Annual Revenue Requirement for IS Transmission Service</u>		
17			
18		\$163,772,435	L7 + L13

**INTEGRATED SYSTEM
FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2011 - Actual**

Line

No.

1			
2			
3	<u>Annual Revenue Requirement for IS Transmission Service</u>		<u>Notes</u>
4			
5		\$163,772,435	IS Annual Revenue Requirement for
6			Transmission Service Worksheet, L18
7			
8	<u>IS Transmission System Total Load</u>		
9			
10		4,918,000 KW	IS Transmission System Total Load Worksheet, C5L14
11			
12			
13	<u>Maximum Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>		
14			
15		\$2.78 / KW-Mo	L5 / L10 / 12 months

INTEGRATED SYSTEM
NON-FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2011 - Actual

Line

No.

1
2
3
4
5
6
7
8
9
10

Firm Point-to-Point Transmission Rate in \$/KW-Mo

Notes

\$2.78 / KW-Mo

IS Firm Point-to-Point Rate Design Worksheet, L15

Maximum Non-Firm Point-to-Point Transmission Rate

3.81 Mills/KWh

(1.5 * 1000) / 730 hours per month

***Integrated System
Transmission Rates
2011 Estimated***

**INTEGRATED SYSTEM
ANNUAL REVENUE REQUIREMENT
FOR TRANSMISSION SERVICE
Effective January 1, 2011**

Line

No.

1			
2			
3	<u>Annual IS Transmission Costs</u>		<u>Notes</u>
4	Basin Electric	\$46,388,310	Basin Electric Revenue Requirement Template
5	Western	\$101,723,683	Western Revenue Requirement Template
6	Heartland	<u>\$1,010,268</u>	Heartland Revenue Requirement Template
7		\$149,122,261	L4 + L5 + L6
8			
9			
10	<u>Transmission Customer Facility Credits</u>		
11		\$6,394,624	MRES Revenue Requirement Template
12		<u>\$2,349,478</u>	NWPS Revenue Requirement Template
13		\$8,744,102	
14			
15			
16	<u>Annual Revenue Requirement for IS Transmission Service</u>		
17			
18		\$157,866,363	L7 + L13

**INTEGRATED SYSTEM
FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2011**

Line

No.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Annual Revenue Requirement for IS Transmission Service

Notes

\$157,866,363

IS Annual Revenue Requirement for
Transmission Service Worksheet, L33

IS Transmission System Total Load

4,646,000 KW

IS Transmission System Total Load Worksheet, C5L14

Maximum Firm Point-to-Point Transmission Rate in \$/KW-Mo

\$2.83 / KW-Mo

L5 / L10 / 12 months

**INTEGRATED SYSTEM
NON-FIRM POINT-TO-POINT RATE DESIGN
Effective January 1, 2011**

Line

No.

1		
2		
3	<u>Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>	<u>Notes</u>
4		
5	\$2.83 / KW-Mo	IS Firm Point-to-Point Rate Design Worksheet, L15
6		
7		
8		
9	<u>Maximum Non-Firm Point-to-Point Transmission Rate</u>	
10	3.88 Mills/KWh	(L5 * 1000) / 730 hours per month

***Integrated System
Load Data***

2011 IS Transmission System Total Load Ancillary Services (MW)

Line No.	(1) Date	(2) Hour Ending	(3) Network Load	(4) Long-Term Firm Point-to-Point Reservations	(5) Total
1	01/31/11	1900	4,685	476	5,161
2	02/08/11	800	4,802	476	5,278
3	03/02/11	800	4,500	476	4,976
4	04/04/11	900	3,788	476	4,264
5	05/10/11	1700	3,585	476	4,061
6	06/30/11	1700	4,470	476	4,946
7	07/19/11	1700	5,257	476	5,733
8	08/01/11	1700	5,166	476	5,642
9	09/01/11	1700	4,403	476	4,879
10	10/27/11	800	3,787	476	4,263
11	11/21/11	800	4,216	476	4,692
12	12/06/11	800	<u>4,641</u>	<u>476</u>	<u>5,117</u>
13					
14	12 CP		4,442	476	4,918

2011 Integrated System Network Load (MW)

Line No.	(1) Date	(2) Hour Ending	(3) Basin Network System Load	(4) Basin Corn Belt	(5) Basin NIMECA	(4) Western Network System Load	(5) Heartland Network System Load	(6) MRES	(7) NWPS	(8) XCEL	(9) NWMT	(10) MDU	(11) MINNKOTA	(12) SMEC	(11) Total IS Network Loads
1															
2	01/31/11	1900	2,060	0	57	1758	103	351	270	0.854	60	13	6	6	4,685
3	02/08/11	800	2,086	0	66	1803	112	378	278	0.754	53	16	3,000	6	4,802
4	03/02/11	800	2,025	0	62	1,639	109	338	234	0.787	52	12	2,000	6	4,500
5	04/04/11	900	1,804	0	47	1,322	94	264	203	0.585	41	4	6,000	2	3,788
6	05/10/11	1700	1,636	0	57	1,321	89	236	203	0.460	39	2	0,022	0	3,584
7	06/30/11	1700	1,974	0	74	1,577	117	371	300	0.703	44	8	3,000	1	4,470
8	07/19/11	1700	2,340	0	82	1,843	130	429	329	0.908	68	21	5,000	9	5,257
9	08/01/11	1700	2,370	0	76	1,790	128	378	338	0.641	60	10	10,000	5	5,166
10	09/01/11	1700	1,991	0	75	1,540	119	339	287	0.424	39	0	10,000	2	4,402
11	10/27/11	800	1,963	0	51	1,182	101	236	203	0.538	35	3	10,000	2	3,787
12	11/21/11	800	2,043	0	53	1,410	106	307	226	0.699	44	12	10,000	4	4,216
13	12/06/11	800	2,043	0	68	1,745	116	343	263	0.743	43	12	4,000	3	4,641
14															
15															
	Average Monthly Peak IS Network Load		2,028	0	64	1,578	110	331	263	0.675	48	9	6	4	4,442
	2010 Network Load		1,575	208	55	1,588	95	288	236	0.612	48	0	0	4	3,740
	Difference		453	-208	9	-10	15	43	27	0	0	9	6	0	702
	Percent Change		22.34%		14.06%	-0.63%	13.64%	12.99%	10.27%	0.00%	0.00%			0.00%	15.80%

2011 IS Transmission System Total Load Estimate

Transmission Rate

(MW)

4,646

***Western's
2011 Actual
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)	\$ 122,047,098
	REVENUE CREDITS (Note R)	
	Total	Allocator
2	Short-Term Firm Point-to-Point Transmission Service Credit	5,081,016
3	Non-Firm Point-to-Point Transmission Service Credit	9,137,048
4	Revenue from Existing Transmission Agreements	921,264
5	Scheduling, System Control, and Dispatch Service Credit	86,177
6	Account No. 454 (page 3, line 36)	79,116
7	Account No. 456 (page 3, line 39)	0
8	TOTAL REVENUE CREDITS	15,304,621
9	NET REVENUE REQUIREMENT (line 1 minus line 8)	\$ 106,742,477

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.	(1) RATE BASE:	(2) ROOs Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
GROSS PLANT IN SERVICE (Note A)					
1	Production	Schedule 1A Total	20,389,409	NA	
2	Transmission	Schedule 1A Total	1,047,136,728	TP	1.00000
3	Distribution	Schedule 1A Total	29,497,924	NA	
4	General & Intangible	Bal Sheet - Other Assets			
		- SGL 175002		W/S	1.00000
5	Common		0	CE	0.00000
6	TOTAL GROSS PLANT (sum lines 1-5)		1,097,024,061	GP=	95.452%
ACCUMULATED DEPRECIATION					
7	Production	Schedule 4	9,731,059	NA	
8	Transmission	Schedule 4	499,495,382	TP	1.00000
9	Distribution	Schedule 4	14,083,743	NA	
10	General & Intangible	Bal Sheet - Other Assets			
		- SGL 175902	0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		523,310,184		
NET PLANT IN SERVICE					
13	Production	(line 1- line 7)	10,658,350		
14	Transmission	(line 2- line 8)	547,641,346		
15	Distribution	(line 3 - line 9)	15,414,181		
16	General & Intangible	(line 4 - line 10)	0		
17	Common	(line 5 - line 11)	0		
18	TOTAL NET PLANT (sum lines 13-17)		573,713,877	NP=	95.455%
ADJUSTMENTS TO RATE BASE (Note B)					
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95455
21	Account No. 283 (enter negative)		0	NP	0.95455
22	Account No. 190		0	NP	0.95455
23	Account No. 255 (enter negative)		0	NP	0.95455
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
WORKING CAPITAL (Note D)					
26	CWC	calculated	14,596,925		
		Bal Sheet - Other Assets			
		- SGL 151191	0	TE	0.00000
27	Materials & Supplies (Note C)	Bal Sheet Other Assets	0	GP	0.95452
28	Prepayments		0		
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		14,596,925		
30	RATE BASE (sum lines 18, 24, 25, and 29)		588,310,802		547,641,346

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.	(1)	(2)	(3)	(4)	(5)
	Results of Operation Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note E)	Schedule 11			
1a	Western UGP	55,435,556	PTP/UGP	0.95426	52,899,934
1b	Western RMR	36,220,425	PTP/RMR	0.00931	337,212
2	Less Account 565 (Note E)		NA	1.00000	0
3	A&G (Note F)	Schedule 11			
3a	Western UGP	16,498,178	PTP/UGP	0.95426	15,743,551
3b	Western RMR	8,621,240	PTP/RMR	0.00931	80,264
4	Less FERC Annual Fees	0	W/S	1.00000	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note G)	0	W/S	1.00000	0
5a	Plus Transmission Related Reg. Comm. Exp (Note G)	0	TE	0.00000	0
6	Common	0	CE	0.00000	0
7	Transmission Lease Payments	0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)	116,775,399			69,060,961
DEPRECIATION EXPENSE					
9	Transmission (Note E)	Schedule 4			
9a	Western UGP	26,783,834	PTP/UGP	0.95426	25,558,741
9b	Western RMR	16,633,433	PTP/RMR	0.00931	154,857
10	General	0	W/S	1.00000	0
11	Common	0	CE	0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	43,417,267			25,713,598
TAXES OTHER THAN INCOME TAXES (Note H)					
LABOR RELATED					
13	Payroll	0	W/S	1.00000	0
14	Highway and vehicle	0	W/S	1.00000	0
PLANT RELATED					
16	Property	0	GP	0.95452	0
17	Gross Receipts	0		zero	0
18	Other	0	GP	0.95452	0
19	Payments in lieu of taxes	0	GP	0.95452	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	0			0
INCOME TAXES (Note I)					
21	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.00%			
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote I.	0.00%			
23	$1 / (1 - T) =$ (from line 21)	0.0000			
24	Amortized Investment Tax Credit (enter negative)	0			
25	Income Tax Calculation = line 22 * line 28	0	NA		0
26	ITC adjustment (line 23 * line 24)	0	NP	0.95455	0
27	Total Income Taxes (line 25 plus line 26)	0			0
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	29,297,878	NA		27,272,539
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)	189,490,544			122,047,098

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line
No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		1,047,136,728
2	Less transmission plant excluded from IS rates (Note K)		
3	Less transmission plant included in OATT Ancillary Services (Note L)		0
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)		1,047,136,728
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)	TP=	1.00000

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)		0
7	Less transmission expenses included in OATT Ancillary Services (Note J)		0
8	Included transmission expenses (line 7 less line 6)		0
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		0.00000
10	Percentage of transmission plant included in IS Rates (line 5)	TP	1.00000
11	Percentage of transmission expenses included in IS Rates (line 9 times line 10)	TE=	0.00000

WAGES & SALARY ALLOCATOR (W&S)

	\$	TP	Allocation	
12	Production	0	0.00	0
13	Transmission	18,521,832	1.00	18,521,832
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	18,521,832		18,521,832 = 1.00000

W&S Allocator
(\$ / Allocation)

PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)

	\$		
17	Transmission Plant in Service UGP	1,040,791,262	
18	Total Plant in Service UGP	1,090,678,595	
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP = 0.95426
20	Transmission Plant in Service RMR	6,345,466	
21	Total Plant in Service RMR	681,620,527	
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 22)		PTP/RMR = 0.00931

COMMON PLANT ALLOCATOR (CE) (Note N)

	\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	=	CE
23	Electric	0			
24	Gas	0	0.00000	*	0.00000
25	Water	0			
26	Total (sum lines 17-19)	0			

RETURN (R)

27	Long Term Interest Schedule 5	\$33,774,266
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	\$	%	Cost (Note O)	Weighted
28	Long Term Debt	678,403,221	100%	0.0498 =WCLTD
29	Proprietary Capital		0%	0.0000
30	Total (sum lines 22-23)	678,403,221	100%	0.0498 =R
31			Proprietary Capital Cost Rate =	12.38%
32			TIER =	1.00

REVENUE CREDITS

		Load
33	ACCOUNT 447 (SALES FOR RESALE)	
34	a. Bundled Non-RQ Sales for Resale (Note P)	0
35	b. Bundled Sales for Resale included in Divisor on page 1	0
35	Total of (a)-(b)	0
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note Q)	79,116
37	ACCOUNT 456 (OTHER ELECTRIC REVENUES)	
38	a. Transmission charges for all transmission transactions	
39	b. Transmission charges for all transmission transactions included in Divisor on page 1	
39	Total of (a)-(b)	14

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

General Note: References to Results of Operations in this revenue requirement template indicate the Financial Statement Results of Operations (ROOs) Schedule where data is located

Note Letter	To the extent the references to ROOs data are missing, the entity will include a "Notes" section to provide this data.		
A	Combines plant data for both the Upper Great Plains Region and Rocky Mountain Region.		
B	Does not apply to Western. For others, the balances in Accounts 190, 281, 282 and 283, as adjusted by any contra accounts identified as regulatory assets amounts in or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.		
C	Transmission related only.		
D	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported in the Other Assets Section of the Balance Sheet		
E	For O&M Expense, Calculated as Total O&M from Results of Operations less Purchase Power, Transmission Service Provided by Others (FERC 565), O&M Expense Fort Peck Powerhouse, Prior Year Adjustments, A&G Expense from Schedule 11, plus CME and Warehouse Interest from Schedule 5. Depreciation Expense from Results of Operations Schedule 4.		
F	Totals of Results of Operations Schedule 11A Object Classes 1411, 1412, 1415, 1416, 1421, 1422, 1425, 1426, 1431, 1432, 1441, 1442		
G	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.		
H	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.		
I	Western is not subject to Federal or State Income Tax.		
	Inputs Required:	FIT =	0.00%
		SIT=	0.00% (State Income Tax Rate or Composite SIT)
		p =	0.00% (percent of federal income tax deductible for state purposes)
J	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Acct No. 561. Western does not include transmission expenses in ancillary service rates.		
K	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).		
L	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.		
M	Percentage of Total Plant Allocators are developed separately for the Upper Great Plains Region and Rocky Mountain Region to allocate O&M, A&G, and Depreciation Expenses between Transmission and Generation.		
N	Western does not have Common Plant.		
O	Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.		
P	Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.		
Q	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.		
R	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Revenue Requirement Template.		

***Western's
2011 Estimated
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template
 Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)			\$ 119,276,574
	REVENUE CREDITS (Note R)	<u>Total</u>	<u>Allocator</u>	
2	Short-Term Firm Point-to-Point Transmission Service Credit	0	NA 1.00000	0
3	Non-Firm Point-to-Point Transmission Service Credit	14,714,615	NA 1.00000	14,714,615
4	Revenue from Existing Transmission Agreements	2,654,630	NA 1.00000	2,654,630
5	Scheduling, System Control, and Dispatch Service Credit	104,564	NA 1.00000	104,564
6	Account No. 454 (page 3, line 36)	79,082	TP 1.00000	79,082
7	Account No. 456 (page 3, line 39)	0	TP 1.00000	0
8	TOTAL REVENUE CREDITS			<u>17,552,891</u>
9	NET REVENUE REQUIREMENT (line 1 minus line 8)			<u>\$ 101,723,683</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.	(1) RATE BASE:	(2) ROOs Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE (Note A)				
1	Production	Schedule 1A Total	18,907,591	NA	
2	Transmission	Schedule 1A Total	1,029,534,571	TP	1.00000
3	Distribution	Schedule 1A Total	31,115,560	NA	
		Bal Sheet - Other Assets			
4	General & Intangible	- SGL 175002		W/S	1.00000
5	Common		0	CE	0.00000
6	TOTAL GROSS PLANT (sum lines 1-5)		1,079,557,722	GP=	95.366%
	ACCUMULATED DEPRECIATION				
7	Production	Schedule 4	9,200,671	NA	
8	Transmission	Schedule 4	500,465,475	TP	1.00000
9	Distribution	Schedule 4	15,141,223	NA	
		Bal Sheet - Other Assets			
10	General & Intangible	- SGL 175902	0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		524,807,369		
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	9,706,920		
14	Transmission	(line 2 - line 8)	529,069,096		
15	Distribution	(line 3 - line 9)	15,974,337		
16	General & Intangible	(line 4 - line 10)	0		
17	Common	(line 5 - line 11)	0		
18	TOTAL NET PLANT (sum lines 13-17)		554,750,353	NP=	95.371%
	ADJUSTMENTS TO RATE BASE (Note B)				
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95371
21	Account No. 283 (enter negative)		0	NP	0.95371
22	Account No. 190		0	NP	0.95371
23	Account No. 255 (enter negative)		0	NP	0.95371
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
	WORKING CAPITAL (Note D)				
26	CWC	calculated	14,384,418		
		Bal Sheet - Other Assets			
27	Materials & Supplies (Note C)	- SGL 151191	0	TE	0.00000
28	Prepayments	Bal Sheet Other Assets	0	GP	0.95366
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		14,384,418		
30	RATE BASE (sum lines 18, 24, 25, and 29)		569,134,771		

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line No.	(1)	(2)	(3)	(4)	(5)
	Results of Operation Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note E)	Schedule 11			
1a	Western UGP	51,039,778	PTP/UGP	0.95339	48,660,814
1b	Western RMR	38,317,427	PTP/RMR	0.00991	359,906
2	Less Account 565 (Note E)		NA	1.00000	0
3	A&G (Note F)	Schedule 11			
3a	Western UGP	18,082,350	PTP/UGP	0.95339	17,239,532
3b	Western RMR	9,635,791	PTP/RMR	0.00991	95,491
4	Less FERC Annual Fees	0	W/S	1.00000	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note G)	0	W/S	1.00000	0
5a	Plus Transmission Related Reg. Comm. Exp (Note G)	0	TE	0.00000	0
6	Common	0	CE	0.00000	0
7	Transmission Lease Payments	0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)	115,075,346			66,355,743
DEPRECIATION EXPENSE					
9	Transmission (Note E)	Schedule 4			
9a	Western UGP	26,830,121	PTP/UGP	0.95339	25,579,569
9b	Western RMR	14,844,626	PTP/RMR	0.00991	147,110
10	General	0	W/S	1.00000	0
11	Common	0	CE	0.00000	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	41,674,747			25,726,679
TAXES OTHER THAN INCOME TAXES (Note H)					
LABOR RELATED					
13	Payroll	0	W/S	1.00000	0
14	Highway and vehicle	0	W/S	1.00000	0
PLANT RELATED					
16	Property	0	GP	0.95366	0
17	Gross Receipts	0	zero		0
18	Other	0	GP	0.95366	0
19	Payments in lieu of taxes	0	GP	0.95366	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	0			0
INCOME TAXES (Note I)					
21	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	0.00%	NA		
22	$CIT = (T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line30) and FIT, SIT & p are as given in footnote I.	0.00%			
23	$1 / (1 - T) =$ (from line 21)	0.0000			
24	Amortized Investment Tax Credit (enter negative)	0			
25	Income Tax Calculation = line 22 * line 28	0	NA		0
26	ITC adjustment (line 23 * line 24)	0	NP	0.95371	0
27	Total Income Taxes (line 25 plus line 26)	0			0
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]	29,253,527	NA		27,194,152
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)	186,003,620			119,276,574

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

Line
No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		1,029,534,571
2	Less transmission plant excluded from IS rates (Note K)		0
3	Less transmission plant included in OATT Ancillary Services (Note L)		0
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)		1,029,534,571
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)	TP=	1.00000

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)		0
7	Less transmission expenses included in OATT Ancillary Services (Note J)		0
8	Included transmission expenses (line 7 less line 6)		0
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		0.00000
10	Percentage of transmission plant included in IS Rates (line 5)	TP	1.00000
11	Percentage of transmission expenses included in IS Rates (line 9 times line 10)	TE=	0.00000

WAGES & SALARY ALLOCATOR (W&S)

	\$	TP	Allocation	
12	Production	0	0.00	0
13	Transmission	19,388,138	1.00	19,388,138
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	19,388,138		19,388,138 = 1.00000

W&S Allocator
(\$ / Allocation)

PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)

	\$		
17	Transmission Plant in Service UGP	1,023,181,684	
18	Total Plant in Service UGP	1,073,204,835	
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP = 0.95339
20	Transmission Plant in Service RMR	6,352,887	
21	Total Plant in Service RMR	640,798,643	
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 22)		PTP/RMR = 0.00991

COMMON PLANT ALLOCATOR (CE) (Note N)

	\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
23	Electric	0		
24	Gas	0	0.00000	
25	Water	0		
26	Total (sum lines 17-19)	0		0.00000

RETURN (R)

27	Long Term Interest Schedule 5	\$34,313,681
----	-------------------------------	--------------

	\$	%	Cost (Note O)	Weighted
28	Long Term Debt	100%	0.0514	0.0514 =WCLTD
29	Proprietary Capital	0%	0.1238	0.0000
30	Total (sum lines 22-23)	100%		0.0514 =R

Proprietary Capital Cost Rate = 12.38%
TIER = 1.00

REVENUE CREDITS

		Load
33	ACCOUNT 447 (SALES FOR RESALE) (Note P)	0
34	a. Bundled Non-RQ Sales for Resale	0
35	b. Bundled Sales for Resale included in Divisor on page 1	0
35	Total of (a)-(b)	0
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note Q)	79,082
37	ACCOUNT 456 (OTHER ELECTRIC REVENUES)	
38	a. Transmission charges for all transmission transactions	
38	b. Transmission charges for all transmission transactions included in Divisor on page 1	
39	Total of (a)-(b)	19

\$0

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2011

Western Area Power Administration - UGPR & RMR

General Note: References to Results of Operations in this revenue requirement template indicate the Financial Statement Results of Operations (ROOs) Schedule where data is located

Note Letter	To the extent the references to ROOs data are missing, the entity will include a "Notes" section to provide this data.		
A	Combines plant data for both the Upper Great Plains Region and Rocky Mountain Region.		
B	Does not apply to Western. For others, the balances in Accounts 190, 281, 282 and 283, as adjusted by any contra accounts identified as regulatory assets amounts in or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.		
C	Transmission related only.		
D	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported in the Other Assets Section of the Balance Sheet		
E	For O&M Expense, Calculated as Total O&M from Results of Operations less Purchase Power, Transmission Service Provided by Others (FERC 565), O&M Expense Fort Peck Powerhouse, Prior Year Adjustments, A&G Expense from Schedule 11, plus CME and Warehouse Interest from Schedule 5. Depreciation Expense from Results of Operations Schedule 4.		
F	Totals of Results of Operations Schedule 11A Object Classes 1411, 1412, 1415, 1416, 1421, 1422, 1425, 1426, 1431, 1432, 1441, 1442		
G	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.		
H	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.		
I	Western is not subject to Federal or State Income Tax.		
	Inputs Required:	FIT =	0.00%
		SIT=	0.00% (State Income Tax Rate or Composite SIT)
		p =	0.00% (percent of federal income tax deductible for state purposes)
J	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Acct No. 561. Western does not include transmission expenses in ancillary service rates.		
K	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).		
L	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.		
M	Percentage of Total Plant Allocators are developed separately for the Upper Great Plains Region and Rocky Mountain Region to allocate O&M, A&G, and Depreciation Expenses between Transmission and Generation.		
N	Western does not have Common Plant.		
O	Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.		
P	Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.		
Q	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.		
R	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Revenue Requirement Template.		

***Basin Electric's
2011 Actual
Revenue Requirement Template***

Revenue Requirement Worksheet
 Average Plant RUS form 12 Data
 BASIN ELECTRIC POWER COOPERATIVE

For the twelve months ended 12/31/2011

Line No.	1	GROSS REVENUE REQUIREMENT (page 3, line 28) (MBPP West Excluded - 1-.065997)						
			Total	IS	West (MBPP)	Other		
			Transmission	Transmission	Transmission	Transmission		
			\$ 76,763,760	\$ 46,708,150	\$ 6,144,921	\$ 23,910,689		
				\$ (350,472)		\$ (5,739,375)		
				\$ 104,993				
				\$ (245,479)				
				46,462,671	405,546	23,910,689		
			<u>\$ 46,868,217</u>					

		Total	Allocator				
		\$ (350,472)	TP	1.00000			
			TP	1.00000			

REVENUE CREDITS

2 Third Party Receipts

3

4 Third Party Payments (line 2 + 4)

5

6 NET REVENUE REQUIREMENT (line 1+ 5)

7 TOTAL REVENUE REQUIREMENT WITH MBPP EAST

Revenue Requirement Worksheet
Average Plant RUS form 12 Data
BASIN ELECTRIC POWER COOPERATIVE

For the twelve months ended 12/31/2011

Line #	(1)	(2) Worksheets	(3)	(4)		(5) Total Trans	(6a)	(6b)	(7)	(8)
				Allocator A	Allocator B					
GROSS PLANT IN SERVICE										
1	Production (Note A)	Worksheet 1, L. 1, C. c	2,723,169,110	NA	0.000%	-	-	-	-	-
2	Transmission (Note B)	Worksheet 1, L. 2, C. c	674,589,874	DA	100.000%	674,589,874	399,438,439	91,456,957	183,694,478	-
3	Distribution			NA	0.000%	-	-	-	-	-
4	General	Worksheet 1, L. 3, C. c	141,109,798	DA	100.000%	33,230,866	24,223,023	3,240,081	5,767,762	-
4a	Direct Assign - Transmission (Note C)		33,230,866	DA	100.000%	-	-	-	-	-
4b	Direct Assign - Production		41,313,663	NA	0.000%	-	-	-	-	-
4c	Other		66,565,269	WS	11.451%	7,622,389	4,513,369	1,033,367	2,075,653	-
5	Intangible	Worksheet 1, L. 4, C. c	78,034,317	DA	100.000%	69,100,565	32,120,916	2,617,629	34,362,020	-
6	TOTAL GROSS PLANT (sum lines 1,2,4,5)		\$ 3,616,903,099			\$ 784,543,694	\$ 400,295,747	\$ 98,346,034	\$ 225,899,913	27,231%
ACCUMULATED DEPRECIATION										
7	Production	Worksheet 1, L. 6, C. c	1,094,364,362	NA	0.000%	-	-	-	-	-
8	Transmission	Worksheet 1, L. 7, C. c	278,087,894	DA	100.000%	278,087,894	169,945,457	53,091,842	35,050,595	-
9	Distribution			NA	0.000%	-	-	-	-	-
10	General	Worksheet 1, L. 8, C. c	99,973,184	DA	100.000%	21,236,302	16,597,650	2,671,099	1,967,553	-
10a	Direct Assign - Transmission		21,236,302	DA	100.000%	-	-	-	-	-
10b	Direct Assign - Production		31,037,170	NA	0.000%	-	-	-	-	-
10c	Other		47,699,712	WS	11.451%	5,462,094	3,234,215	740,496	1,487,383	-
11	Intangible	Worksheet 1, L. 9, C. c	48,210,954	DA	100.000%	47,191,522	21,629,660	1,919,605	23,642,257	-
12	TOTAL ACCUM. DEPR (sum lines 7,8,10,11)		\$ 1,620,636,394			\$ 351,977,812	\$ 231,406,982	\$ 58,423,042	\$ 62,147,788	
NET PLANT IN SERVICE										
13	Production	(line 1 - line 7)	1,628,804,748	AUTO		-	-	-	-	-
14	Transmission	(line 2 - line 8)	396,501,980	AUTO		396,501,980	209,492,982	38,365,115	148,643,883	-
15	Distribution	(line 3 - line 9)		AUTO		-	-	-	-	-
16	General	(line 4 - line 10)	41,135,614	AUTO		11,994,564	7,625,373	568,982	3,800,209	-
16a	Direct Assign	(line 4a - line 10a)	11,994,564	AUTO		-	-	-	-	-
16b	Production	(line 4b - line 10b)	10,276,493	AUTO		-	-	-	-	-
16c	Other	(line 4c - line 10c)	18,865,557	AUTO		2,160,295	1,279,154	292,871	568,270	-
17	Intangible	(line 5 - line 11)	29,823,363	AUTO		21,909,043	10,491,256	698,024	10,719,763	-
18	TOTAL NET PLANT (sum lines 13, 14, 16, 17)		\$ 2,096,265,705			\$ 432,565,882	\$ 228,888,765	\$ 39,924,992	\$ 163,752,125	
WORKING CAPITAL										
19	CWC (Note D)	one eighth of line 9, page 3	10,671,506	DA	100.000%	3,973,259	2,753,136	263,102	937,021	-
20	Materials & Supplies Transmission	12h, Section G, L.4, L.5, C.d,	5,978,297	GP1	100.000%	5,978,297	3,539,869	810,478	1,627,850	-
21	Prepayments (Note D)	12a.B.25		WS	11.451%	-	-	-	-	-
22	TOTAL WORKING CAPITAL (sum lines 19-21)		\$ 16,649,803			\$ 9,951,556	\$ 6,293,005	\$ 1,093,580	\$ 2,564,871	
23	Rate Base	Lines 18 + 22	\$ 2,112,916,508			\$ 442,517,438	\$ 235,181,770	\$ 41,018,572	\$ 166,317,096	

A & G Allocation

WAGES AND SALARY ALLOCATOR (W/S)

Line #	(1) From Accounting Report	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			TOTAL	Allocator	Percent	IS	West (MBPP) Transmission	Other
1	Production	Accounting Records	43,138,062					
2	Transmission-East	Accounting Records	233,300					
3	Transmission-West	Accounting Records	406,532	WS	Trans % of total wages	59.212%	13.557%	27.231%
4	Transmission-Allocated	Accounting Records	4,938,826	TPW	Trans % excluding MBPP West	68.499%	0.000%	31.501%
5	Distribution							
6	Other Transmission				Note H			
7	Total Wages and Salaries (sum lines 1-6) (exclude adm)		\$48,716,720					

	Weighted Cost of Capital	Percent	Rate	Weighted cost
12a. B.L.46 & L. 52	LTD	75.61%	4.18%	3.16%
12a. B.L.39	Equity	24.39%	10.85%	2.65%
		100.00%		5.81%

Note

- A Line 1, page 2 excludes \$1,922,004 and is included in line 2, page 2. Line 2 also includes \$2,825,409 transmission acquisition adjustment. Accumulated Depreciation for 332,270, associated with the \$1,922,004 is excluded in line 7 and added to line 8
- B Transmission capital lease for \$40,286,830 is excluded from transmission plant investment. Lease payments of \$4,140,536.94 are included in Transmission O&M.
- C General Plant directly assigned to transmission includes the transmission maintenance buildings and microwave assigned to transmission.
- D Cash working capital assigned to transmission is one eighth of O&M allocated to transmission on page 3, line 9, column 6-8. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Section B, line 24, on the RUS 12 form.
- E Includes Lease payments of \$4,140,536.94 for member facilities in the IS system and O&M that is charged to specific lines or substations.
- F Line 5 - Regulatory Commission expenses directly related to transmission service, ISO filings, or transmission sitings.
- G A&G costs directly allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages. Includes OASIS costs for West Side and Common Use System plus legal fees for transmission.
- H West (MBPP) plant investment on page 2, line, column 7 is excluded in the percentage calculations on page 4, GP2, columns 6, 7, and 8 for A&G and transmission O&M allocation as these cost are directly allocated to MBPP through the project billing.
- I SD Gross receipts taxes paid in lieu of property with a portion directly assigned to Common Use System (CUS).
- J Payroll taxes are included in the RUS 500 series of accounts along with the labor costs. ND Trans Line tax is included in O&M, line 2. Equity percent as a percent of total long term debt plus current portion of long term debt plus equity.

***Basin Electric's
2011 Estimated
Revenue Requirement Template***

	(1)	(2) Worksheets	(3)	(4) Allocator A	(5) Total Trans	(4a) Allocator B		(6) IS Transmission	(7) West (MBPP) Transmission	(8) Other Transmission
GROSS PLANT IN SERVICE (Note A)										
1		Worksheet 1, L.1, C. e	3,089,817,764	NA	0.000%	NA				
2		Production	695,243,629	DA	100.000%	DA				
3		Transmission	695,243,629	NA	0.000%	NA		92,257,804		202,939,446
4		Distribution								
5		General	137,063,124	DA	100.000%	DA		3,235,492		11,035,456
6		Direct Assign - Transmission (Note B)	40,535,706	NA	0.000%	NA				
7		Direct Assign - Production	38,388,859	NA	0.000%	NA		869,004		1,911,404
8		Other	58,138,559	WS	11.263%	GP		2,617,629		34,352,020
9		Intangible	72,508,060	DA	100.000%	DA		98,989,829		250,248,326
10		TOTAL GROSS PLANT (sum lines 1,2,4,5)	\$ 3,994,632,577	GP		GP		\$ 13,271%		\$ 29,190%
ACCUMULATED DEPRECIATION										
11		Worksheet 1, L.6, C. e	1,125,038,825	NA	0.000%	NA				
12		Production	280,597,227	DA	100.000%	DA				
13		Transmission	280,597,227	NA	0.000%	NA		53,539,881		41,530,966
14		Distribution								
15		General	104,800,140	DA	100.000%	DA		19,294,987		6,892,668
16		Direct Assign - Transmission	28,760,846	NA	0.000%	NA				
17		Direct Assign - Production	27,790,909	NA	0.000%	NA		721,175		1,586,248
18		Other	48,248,385	WS	11.263%	GP		1,919,605		22,112,084
19		Intangible	46,230,724	DA	100.000%	DA		56,763,842		72,121,966
20		TOTAL ACCUM. DEPR (sum lines 7,8,10,11)	\$ 1,556,666,916					\$ 229,617,206		\$ 72,121,966
NET PLANT IN SERVICE										
21		(line 1 - line 7)	1,964,778,939	AUTO		AUTO				
22		(line 2 - line 8)	414,646,402	AUTO		AUTO		214,509,999		161,408,480
23		(line 3 - line 9)		AUTO		AUTO				
24		(line 4 - line 10)	32,262,984	AUTO		AUTO		6,969,761		4,142,768
25		(line 4a - line 10a)	11,774,860	AUTO		AUTO			662,311	
26		(line 4b - line 10b)	10,597,950	AUTO		AUTO		640,944		325,156
27		(line 4c - line 10c)	9,890,174	AUTO		AUTO		147,829		12,249,936
28		(line 5 - line 11)	26,277,336	AUTO		AUTO		10,451,881		698,024
29		TOTAL NET PLANT (sum lines 13, 14, 16, 17)	\$ 2,437,965,561					\$ 232,572,585		\$ 40,236,087
WORKING CAPITAL										
30		CWC (Note C)	9,642,672	DA	100.000%	DA		2,396,437		1,088,371
31		Materials & Supplies Transmission	6,155,586	GP	100.000%	GP		3,541,863		1,796,816
32		Prepayments (Note C)		GP		GP				
33		TOTAL WORKING CAPITAL (sum lines 19-21)	\$ 15,798,258					\$ 5,938,300		\$ 2,885,187
34		Rate Base	\$ 2,453,763,819					\$ 238,510,885		\$ 41,666,936
35										\$ 181,011,547

Revenue Requirement Worksheet
 Estimated RUS form 12 Data
 BASIN ELECTRIC POWER COOPERATIVE

Projections for 2011

Page 3

Line No.	(1)	(2)	Reference	(3)	Company Total	(4)	Allocator A	(5)	Total Transmission	(4a)	Allocator B	(6)	IS Transmission	(7)	West (MBPP) Transmission	(8)	Other Transmission
1	O&M																
2	1	Transmission less Account 565	Expense Worksheet #3, L 7&16, C.b	25,243,853		DA	100.000%	13,065,544	100.000%	DA	100.000%	8,532,473	8,532,473	3,456,185	3,456,185	1,076,887	1,076,887
3	2	Direct Assignment (Note D)	Accounting Records	13,065,544		TPW	100.000%	12,178,309	100.000%	TPW	100.000%	6,893,654	6,893,654	-	-	5,284,655	5,284,655
4	3	Other	Accounting Records	12,178,309				-	-								
5	4	A&G	Expense Worksheet #3, L 11, C.b	51,897,524		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
6	5	Less Regulatory Fees (Note E)	Accounting Records	224,000		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
7	6	Production	Accounting Records	2,178,219		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
8	7	Transmission (Note F)	Accounting Records	1,454,410		DA	100.000%	1,454,410	100.000%	DA	100.000%	240,250	240,250	646,910	646,910	567,250	567,250
9	8	Headquarters	Accounting Records	48,040,895		WS	11.263%	6,091,731	11.263%	GP	100.000%	3,505,121	3,505,121	808,434	808,434	1,778,176	1,778,176
9	9	TOTAL O&M (sum lines 1 and 4)		77,141,377				32,789,984				19,171,498	19,171,498	4,911,529	4,911,529	8,706,968	8,706,968
10		DEPRECIATION & AMORTIZATION EXPENSE															
11	10	Depreciation and Amortization Expense	Accounting Records	79,000,000		DA	100.000%	10,526,040	100.000%	DA	100.000%	5,970,093	5,970,093	1,191,436	1,191,436	3,364,511	3,364,511
12	11	Transmission	Accounting Records	10,526,040		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
13	12	Production	Accounting Records	68,473,960		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
14	13	General Plant	Accounting Records	11,962,070		DA	100.000%	1,623,851	100.000%	DA	100.000%	1,083,302	1,083,302	193,311	193,311	347,238	347,238
15	14	Transmission	Accounting Records	1,623,851		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
16	15	Production	Accounting Records	6,500,000		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
17	16	Other General Plant	Accounting Records	3,838,219		WS	11.263%	432,299	11.263%	GP	100.000%	248,741	248,741	57,370	57,370	126,188	126,188
17	17	Other Amortization	Accounting Records	1,899,262		DA	100.000%	1,899,262	100.000%	DA	100.000%	903,295	903,295	65,397	65,397	930,570	930,570
18	18	TOTAL (Sum lines 10,13,17)	Expense Worksheet #3, L 20, C.b	92,889,743				14,481,452				8,205,431	8,205,431	1,507,514	1,507,514	4,768,507	4,768,507
19		TAXES OTHER THAN INCOME TAXES															
20	19	PLANT RELATED	Accounting Records	3,100,000		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
21	20	Property total	Accounting Records	3,100,000		DA	100.000%	3,100,000	100.000%	DA	100.000%	2,900,000	2,900,000	-	-	200,000	200,000
22	21	Tax Reclassification	Based on 2009 actual	-		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
23	22	Gross Receipts (Note G)	Accounting Records	-		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
24	23	Production	Accounting Records	-		NA	0.000%	-	0.000%	NA	0.000%	-	-	-	-	-	-
24	24	TOTAL OTHER TAXES		3,100,000				3,100,000				2,900,000	2,900,000	-	-	200,000	200,000
25	25	TOTAL OPERATING EXPENSES (Sum 9+18+24)		173,131,120				50,371,446				30,276,929	30,276,929	6,419,043	6,419,043	13,875,475	13,875,475
26	26	Return		161,948,419		WCC	Rate Base	30,438,498	Rate Base	WCC	Rate Base	15,741,718	15,741,718	2,750,018	2,750,018	11,946,762	11,946,762
27	27	REV. REQUIREMENT (sum lines 25+26)		335,079,539				80,809,944				46,018,647	46,018,647	9,169,061	9,169,061	25,822,237	25,822,237

A & G Allocation

WAGES AND SALARY ALLOCATOR (WS)

Line #	(1) From Accounting Report	(2)	(3)	(4) Allocator	(5) Percent	(6) IS Transmission	(7) West (MBPP) Transmission	(8) Other Transmission
1	Production		TOTAL	40,196,392		\$2,729,706	\$446,402	\$1,925,629
2	Transmission-East	Accounting Records	217,789					
3	Transmission-West	Accounting Records	446,402	WS	11.263%	57.539%	13.271%	29.190%
4	Distribution	Accounting Records	4,437,546	TPW		56.606%	0.000%	43.394%
5	Other Transmission							
6	Total Wages and Salaries (sum lines 1-6) (exclude adm)		\$45,298,129					

Transmission Wage and Salary Dollar Split

Line #	Description	Weight #1	Weight #2	Weighted Cost of Capital	Percent	Rate	Weighted cost
8	IS Transmission Plant (p.2.c.6 L.14, 16a, 17)	231,931,641		LTD	73.58%	5.07%	3.73%
9	West (MBPP) Transmission Plant (p.2.c.7 L.14, 16a, 17)	40,088,258		Equity	26.42%	10.85%	2.87%
10	Other Transmission Plant (p.2.c.8 L.14, 16a, 17)	177,801,204					6.60%
11	Total (sum lines 8-10)	\$449,821,103					
12	Percent of IS to Total Transmission (Note H)		56.606%				
13	Percent of Other to total Transmission (Line 10/Line 11-9)		43.394%				
14	IS Trans Wage & Salary Dollar (L.4 lines L.12)	2,511,917					
15	West Trans Wage & Salary Dollar (no allocation)						
16	Other Transmission Wage & Salary (L.4 times L.13)	1,925,629					
17	Total Transmission Wage and Salary Allocated (L.4)	\$4,437,546					

Note

- A RUS form 12h new investment averaged over 13 months.
- B General Plant directly assigned to transmission includes the transmission maintenance buildings and microwave assigned to transmission.
- C Cash working capital assigned to transmission is one eighth of O&M allocated to transmission on page 3, line 9, column 6-8.
- D Repayments are the electric related prepayments booked to Account No. 165 and reported on Section B, line 24, in the RUS 12.
- E Includes Lease payments of \$4,260,600 for member facilities in the IS system and O&M that is charged to specific lines or substations.
- F Line 5 - Regulatory Commission expenses directly related to transmission service, ISO filings, or transmission sitings.
- G A&G costs directly allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages.
- H Includes O&M costs for West Side and Common Use System plus A&G costs allocated to MBPP Transmission.
- I SD Gross receipts taxes paid in lieu of property with a portion directly assigned to other transmission.
- J Payroll taxes are included in the RUS 500 series of accounts along with the labor costs. ND Trans Line tax is included in O&M, line 2.
- K West (MBPP) net plant (\$40,088,257) is excluded in the percentage calculations on line 12 and 13 as costs for transmission and A&G are directly allocated to MBPP.
- L Equity percent as a percent of total estimated long term debt plus current portion of long term debt plus equity.

***Heartland's
2011 Actual
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template
 Annual Transmission Revenue Requirement
 True Up to Actual
 Heartland Consumers Power District

For the 12 months ending 12/31/2011

<u>Line No.</u>			<u>Allocated Amount</u>
1	GROSS REVENUE REQUIREMENT (page 3, line 29)		\$ 806,692
	REVENUE CREDITS	(Note P)	
		Total	Allocator
2	Account No. 454 (page 4, line 30)	24,879	TP 0.52108 \$12,964
3	Account No. 456.1 (page 4, line 33)	0	TP 0.52108 0
4	Revenue From Existing Transmission Agreements	3,558	NA 1.00000 3,558
5	Transmission Service Credits	0	NA 1.00000 0
6	TOTAL REVENUE CREDITS		<u>16,522</u>
	NET REVENUE REQUIREMENT (line 1 minus line 6)		<u>\$ 790,170</u>

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2011

Heartland Consumers Power District

Line No.	(1)	(2)	(3)	(4)	(5)
		Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)
	RATE BASE:				
	GROSS PLANT IN SERVICE				
1	Production	Schedule A	41,874,119	NA	
2	Transmission	Schedule A	14,570,232	TP	7,592,256
3	Distribution		0	NA	
4	General & Intangible	Schedule A	6,505,865	W/S	439,796
5	Common		0	CE	0
6	TOTAL GROSS PLANT (sum lines 1-5)		62,950,216	GP= 12.759%	8,032,052
	ACCUMULATED DEPRECIATION				
7	Production	Schedule A	31,546,044	NA	
8	Transmission	Schedule A	10,909,074	TP	5,684,500
9	Distribution		0	NA	
10	General & Intangible	Schedule A	2,630,855	W/S	177,846
11	Common		0	CE	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		45,085,973		5,862,346
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	10,328,075		
14	Transmission	(line 2 - line 8)	3,661,158		1,907,756
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	3,875,010		261,950
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		17,864,243	NP= 12.146%	2,169,706
	ADJUSTMENTS TO RATE BASE (Note A)				
19	Account No. 281 (enter negative)		0	zero	0
20	Account No. 282 (enter negative)		0	NP 0.12146	0
21	Account No. 283 (enter negative)		0	NP 0.12146	0
22	Account No. 190		0	NP 0.12146	0
23	Account No. 255 (enter negative)		0	NP 0.12146	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note B)		0	TP 0.52108	0
	WORKING CAPITAL (Note C)				
26	CWC		445,050		48,802
27	Materials & Supplies (Note B)		0	TE 1.00000	0
28	Prepayments		366,803	GP 0.12759	46,800
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		811,853		95,602
30	RATE BASE (sum lines 18, 24, 25, and 29)		18,676,096		2,265,308

Revenue Requirement Template
Annual Transmission Revenue Requirement

Revenue Requirement - Non-Levelized For the 12 months ending 12/31/2011

Heartland Consumers Power District

Line No.	(1)	(2)	(3)	(4)	(5)	
Line No.	Reference	Company Total	Allocator	Transmission	(Col 3 times Col 4)	
O&M						
1	Transmission	Schedule A	217,650	TE	1.00000	217,650
1a	Less LSE Expenses included in Transmission O&M Accounts (Note D)		0		1.00000	0
2	Less Account 565		57,058	NA	1.00000	57,058
3	A&G (Note G)	Schedule A	3,399,807	W/S	0.06760	229,827
4	Less FERC Annual Fees		0	W/S	0.06760	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad(Note E)		0	W/S	0.06760	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note E)		0	TE	1.00000	0
6	Common		0	CE	0.06760	0
7	Transmission Lease Payments		0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 2, 4, 5)		<u>3,560,399</u>			<u>390,419</u>
DEPRECIATION EXPENSE						
9	Transmission		384,447	TP	0.52108	200,328
10	General		150,158	W/S	0.06760	10,151
11	Common		0	CE	0.06760	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>534,605</u>			<u>210,479</u>
TAXES OTHER THAN INCOME TAXES (Note F)						
LABOR RELATED						
13	Payroll		88,481	W/S	0.06760	5,981
14	Highway and vehicle		0	W/S	0.06760	0
PLANT RELATED						
16	Property		188,302	GP	0.12759	24,025
17	Gross Receipts		0	NA	zero	0
18	Other		0	GP	0.12759	0
19	Payments in lieu of taxes		0	GP	0.12759	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>276,783</u>			<u>30,006</u>
INCOME TAXES (Note G)						
21	T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =		0.00%	NA		
22	CIT=(T/1-T) * (1-(WCLTD/R)) = where WCLTD=(page 4, line 27) and R= (page 4, line30) and FIT, SIT & p are as given in footnote G.		0.00%			
23	1 / (1 - T) = (from line 21)		0.0000			
24	Amortized Investment Tax Credit (enter negative)		0			
25	Income Tax Calculation = line 22 * line 28		0	NA		0
26	ITC adjustment (line 23 * line 24)		0	NP	0.12146	0
27	Total Income Taxes (line 25 plus line 26)		<u>0</u>			<u>0</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]		1,449,265	NA		175,788
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)		<u>5,821,052</u>			<u>806,692</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2011

Heartland Consumers Power District

Line No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		14,570,232
2	Less transmission plant excluded from IS rates (Note H)		6,752,305
3	Less transmission plant included in OATT Ancillary Services (Note I)		225,659
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)		<u>7,592,268</u>
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)	TP=	0.52108

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)		217,650
7	Less transmission expenses included in OATT Ancillary Services (Note J)		0
8	Included transmission expenses (line 7 less line 6)		<u>217,650</u>
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		1.00000
10	Percentage of transmission plant included in IS Rates (line 5)	TP	0.52108
11	Percentage of transmission expenses included in IS Rates (Note K)	TE=	1.00000

WAGES & SALARY ALLOCATOR (W&S)

	\$	TP	Allocation	
12	Production	1,089,436	0.00	0
13	Transmission	162,789	0.52	84,650
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	<u>1,252,225</u>		<u>84,650</u> = <u>0.06760</u> = W/S

COMMON PLANT ALLOCATOR (CE) (Note L)

	\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
17	Electric	62,950,216	1.00000	0.06760
18	Gas	0		
19	Water	0		
20	Total (sum lines 17-19)	<u>62,950,216</u>		<u>0.06760</u>

RETURN (R)

	\$	%	Cost (Note M)	Weighted
21	Long Term Interest	Schedule A.3	\$2,082,346	
22	Long Term Debt	Schedule A.3	33,055,798	76% 6.30% 0.0479 =WCLTD
23	Proprietary Capital	Schedule A.3	10,560,164	24% 12.38% 0.0297
24	Total (sum lines 22, 23)		<u>43,615,962</u>	100% 0.0776 =R

Proprietary Capital Cost Rate = 12.38%
TIER = 1.23

REVENUE CREDITS

		Load
27	ACCOUNT 447 (SALES FOR RESALE)	
28	a. Bundled Non-RQ Sales for Resale (Note N)	0
28	b. Bundled Sales for Resale included in Divisor on page 1	0
29	Total of (a)-(b)	<u>0</u>

30 ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O) \$24,879

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)

31	a. Transmission charges for all transmission transactions	\$0
32	b. Transmission charges for all transmission transactions included in Divisor on page 1	\$0
33	Total of (a)-(b)	<u>\$0</u>

General Note: References to pages in this revenue requirement template are indicated as: (page#, line#, col.#)

Note
Letter

- A Does not apply to Heartland. For others, balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
- B Transmission related only.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 as shown on Schedule I of EIA Form 412.
- D Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
- E Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising.
Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings or transmission siting.
- F Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- G Heartland is not subject to Federal or State Income Tax
Inputs Required: FIT = 0.00% (Federal Income Tax Rate)
SIT= 0.00% (State Income Tax Rate or Composite SIT)
p = 0.00% (percent of federal income tax deductible for state purposes)
- H Removes transmission plant determined to be state-jurisdictional by Commission order according to the seven-factor test (until EIA 412 balances are adjusted to reflect application of seven-factor test).
- I Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- J Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.
- K All O&M expense included in Page 3 line 1 column 3 is associated with transmission plant in IS rates. The O&M expense for non-qualifying facilities (Page 4 lines 2,3) is the responsibility of others.
- L Heartland has no common plant.
- M Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.
- N Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
- O Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- P The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the IS (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.

***Heartland's
2011 Estimated
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 29)			\$ 1,045,250
	REVENUE CREDITS	(Note P)	Total	Allocator	
2	Account No. 454	(page 4, line 30)	24,869	TP 0.52203	\$12,982
3	Account No. 456.1	(page 4, line 33)	0	TP 0.52203	0
4	Revenue From Existing Transmission Agreements		22,000	NA 1.00000	22,000
5	Transmission Service Credits		0	NA 1.00000	0
6	TOTAL REVENUE CREDITS				<u>34,982</u>
	NET REVENUE REQUIREMENT	(line 1 minus line 6)			<u>\$ 1,010,268</u>

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.	(1) RATE BASE:	(2) Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
GROSS PLANT IN SERVICE					
1	Production	Schedule A	41,719,984	NA	
2	Transmission	Schedule A	14,599,051	TP	7,621,180
3	Distribution		0	NA	
4	General & Intangible	Schedule A	6,352,713	W/S	431,123
5	Common		0	CE	0
6	TOTAL GROSS PLANT (sum lines 1-5)		62,671,758	GP= 12.848%	8,052,303
ACCUMULATED DEPRECIATION					
7	Production		30,738,402	NA	
8	Transmission		10,538,880	TP	5,501,635
9	Distribution		0	NA	
10	General & Intangible		2,932,975	W/S	199,045
11	Common		0	CE	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		44,210,257		5,700,679
NET PLANT IN SERVICE					
13	Production	(line 1 - line 7)	10,981,582		
14	Transmission	(line 2 - line 8)	4,060,181		2,119,545
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	3,419,738		232,079
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		18,461,501	NP= 12.738%	2,351,624
ADJUSTMENTS TO RATE BASE (Note A)					
19	Account No. 281 (enter negative)		0	zero	0
20	Account No. 282 (enter negative)		0	NP 0.12738	0
21	Account No. 283 (enter negative)		0	NP 0.12738	0
22	Account No. 190		0	NP 0.12738	0
23	Account No. 255 (enter negative)		0	NP 0.12738	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note B)		0	TP 0.52203	0
WORKING CAPITAL (Note C)					
26	CWC		420,744		49,567
27	Materials & Supplies (Note B)		0	TE 1.00000	0
28	Prepayments		114,025	GP 0.12848	14,650
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		534,769		64,217
30	RATE BASE (sum lines 18, 24, 25, and 29)		18,996,270		2,415,841

Revenue Requirement - Non-Levelized Revenue Requirement Template Annual Transmission Revenue Requirement For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.	(1)	(2)	(3)	(4)	(5)	
Line No.	Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)		
O&M						
1	Transmission	Schedule A	251,518	TE	1.00000	251,518
1a	Less LSE Expenses included in Transmission O&M Accounts (Note D)		0		1.00000	0
2	Less Account 565		71,173	NA	1.00000	71,173
3	A&G (Note G)	Schedule A	3,185,604	W/S	0.06786	216,189
4	Less FERC Annual Fees		0	W/S	0.06786	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad(Note E)		0	W/S	0.06786	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note E)		0	TE	1.00000	0
6	Common		0	CE	0.06786	0
7	Transmission Lease Payments		0	NA	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 2, 4, 5)		<u>3,365,949</u>			<u>396,534</u>
DEPRECIATION EXPENSE						
9	Transmission		848,400	TP	0.52203	442,892
10	General		230,242	W/S	0.06786	15,625
11	Common		0	CE	0.06786	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>1,078,642</u>			<u>458,517</u>
TAXES OTHER THAN INCOME TAXES (Note F)						
LABOR RELATED						
13	Payroll		77,700	W/S	0.06786	5,273
14	Highway and vehicle		0	W/S	0.06786	0
PLANT RELATED						
16	Property		160,866	GP	0.12848	20,669
17	Gross Receipts		0	NA	zero	0
18	Other		0	GP	0.12848	0
19	Payments in lieu of taxes		0	GP	0.12848	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>238,566</u>			<u>25,942</u>
INCOME TAXES (Note G)						
21	T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =		0.00%	NA		
22	CIT=(T/1-T) * (1-(WCLTD/R)) = where WCLTD=(page 4, line 27) and R= (page 4, line30) and FIT, SIT & p are as given in footnote G.		0.00%			
23	1 / (1 - T) = (from line 21)		0.0000			
24	Amortized Investment Tax Credit (enter negative)		0			
25	Income Tax Calculation = line 22 * line 28		0	NA		0
26	ITC adjustment (line 23 * line 24)		0	NP	0.12738	0
27	Total Income Taxes (line 25 plus line 26)		<u>0</u>			<u>0</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 24)]		1,291,586	NA		164,257
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)		<u>5,974,743</u>			<u>1,045,250</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Heartland Consumers Power District

SUPPORTING CALCULATIONS AND NOTES

Line No.

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		14,599,061
2	Less transmission plant excluded from IS rates (Note H)		6,752,305
3	Less transmission plant included in OATT Ancillary Services (Note I)		225,576
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)		7,621,180
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)	TP=	0.52203

TRANSMISSION EXPENSES

6	Total transmission expenses (page 3, line 1, column 3)		251,518
7	Less transmission expenses included in OATT Ancillary Services (Note J)		0
8	Included transmission expenses (line 7 less line 6)		251,518
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)		1.00000
10	Percentage of transmission plant included in IS Rates (line 5)	TP	0.52203
11	Percentage of transmission expenses included in IS Rates (Note K)	TE=	1.00000

WAGES & SALARY ALLOCATOR (W&S)

	\$	TP	Allocation	
12	Production	924,498	0.00	0
13	Transmission	138,144	0.52	72,116
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	1,062,642		72,116 =
				W&S Allocator (\$ / Allocation) = 0.06786 = W/S

COMMON PLANT ALLOCATOR (CE) (Note L)

	\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE
17	Electric	62,671,758	1.00000	
18	Gas	0		
19	Water	0		
20	Total (sum lines 17-19)	62,671,758		0.06786 = CE

RETURN (R)

	\$	%	Cost (Note M)	Weighted
21	Long Term Interest	Schedule A	\$1,975,956	
22	Long Term Debt	Schedule A	36,522,482	80% = 5.41% = 0.0433 = WCLTD
23	Proprietary Capital	Schedule A	9,089,404	20% = 12.38% = 0.0247
24	Total (sum lines 22, 23)		45,611,886	100% = 0.0680 = R

Proprietary Capital Cost Rate = 12.38%
TIER = 1.26

REVENUE CREDITS

		Load
27	ACCOUNT 447 (SALES FOR RESALE)	
	a. Bundled Non-RQ Sales for Resale (Note N)	0
28	b. Bundled Sales for Resale included in Divisor on page 1	0
29	Total of (a)-(b)	0

30 ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O) \$24,869

31	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	
	a. Transmission charges for all transmission transactions	\$0
32	b. Transmission charges for all transmission transactions included in Divisor on page 1	\$0
33	Total of (a)-(b)	\$0

Heartland Consumers Power District

General Note: References to pages in this revenue requirement template are indicated as: (page#, line#, col.#)

Note
Letter

- A Does not apply to Heartland. For others, balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
- B Transmission related only.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 as shown on Schedule I of EIA Form 412.
- D Account Nos. 561.4, 561.8, and 575.7 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
- E Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising.
Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings or transmission siting.
- F Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- G Heartland is not subject to Federal or State Income Tax
Inputs Required: FIT = 0.00% (Federal Income Tax Rate)
SIT= 0.00% (State Income Tax Rate or Composite SIT)
p = 0.00% (percent of federal income tax deductible for state purposes)
- H Removes transmission plant determined to be state-jurisdictional by Commission order according to the seven-factor test (until EIA 412 balances are adjusted to reflect application of seven-factor test).
- I Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- J Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.
- K All O&M expense included in Page 3 line 1 column 3 is associated with transmission plant in IS rates. The O&M expense for non-qualifying facilities (Page 4 lines 2,3) is the responsibility of others.
- L Heartland has no common plant.
- M Debt cost rate = long-term interest (line 21) / long term debt (line 22). The Proprietary Capital Cost rate is implicit, a residual calculation after TIER is determined. TIER will be supported in the filing and no change in TIER may be made absent a filing with the ISO and the FERC, if the entity is under FERC's jurisdiction.
- N Line 29 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
- O Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- P The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the IS (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.

***Missouri River Energy Services
2011 Actual
Revenue Requirement Template***

Formula Rate - Cash Flow

Rate Formula Template
 Utilizing EIA Form 412 Data

For the 12 months ended 12/31/11

Missouri River Energy Services

Line No.		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 2, line 23, col. 5)	\$ 11,915,963
	REVENUE CREDITS (Note Q)	
2	Account No. 454 (page 3, line 34)	136,585
3	Account No. 456.1 (page 3, line 37)	11,234
4	Revenues from Grandfathered Interzonal Transactions	0
5	Revenues from service provided by the ISO at a discount	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)	147,819
7	NET REVENUE REQUIREMENT (line 1 minus line 6)	<u>\$ 11,768,144</u>

Allocation of Net Revenue Requirements by Pricing Zones:					
	Irv Simmons	OTP	MBPP	MISO (Fargo 1)	Total
Transmission Plant Investment	\$ 1,957,786	\$ 27,899,752	\$ 29,373,665	\$ 5,057,545	\$ 64,288,748
% of Total Transmission Plant	3.0%	43.4%	45.7%	7.9%	100.0%
Net Transmission Revenue Requirement (Allocated on Transmission Plant)	\$ 353,044	\$ 5,107,374	\$ 5,378,042	\$ 929,683	\$ 11,768,143

8	DIVISOR				680,645
9	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	0
10	Plus 12 CP of firm bundled sales over one year not in line 8			(Note B)	0
11	Plus 12 CP of Network Load not in line 8			(Note C)	0
12	Less 12 CP of firm P-T-P over one year (enter negative)			(Note D)	0
13	Plus Contract Demand of firm P-T-P over one year				0
14	Less Contract Demand from Grandfathered Interzonal transactions over one year (enter negative) (Note P)				0
15	Less 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)				<u>680,645</u>
16	Annual Cost (\$/kW/Yr) (line 7/ line 15)	\$ 16.825			
17	Network & P-to-P Rate (\$/kW/Mo) (line 11/ 12)	\$ 1.402			
		Peak Rate		Off-Peak Rate	
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16/ 52)	0.324			\$0.324
19	Point-To-Point Rate (\$/kW/Day) (line 18/ 5; line 18/ 7)	0.065	Capped at weekly rate		\$0.046
20	Point-To-Point Rate (\$/MWh) (line 19/ 16; line 19/ 24 times 1,000)	4.045	Capped at weekly and daily rates		\$1.926
21	FERC Annual Charge(\$/MWh) (Note E)	\$0.000	Short Term		\$0.000 Short Term
22		\$0.000	Long Term		\$0.000 Long Term

Formula Rate - Cash Flow		Rate Formula Template Utilizing EIA Form 412 Data		For the 12 months ended 12/31/11	
Line No.	(1) EIA 412 Reference	(3) Missouri River Energy Services Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	
O&M					
1	Transmission (Note X)	22,698,725	TE	0.9850	22,358,244
1a	Less LSE Expenses included in Transmission O&M Accounts (†)	0		1.0000	0
2	Less Account 565	18,801,114		0.9850	18,519,097
3	A&G VII.13.d	8,634,178	W/S	0.1471	1,270,088
4	Less FERC Annual Fees	0	W/S	0.1471	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)	662,461	W/S	0.1471	97,448
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)	448,186	TE	0.9850	441,463
6	Common	0	CE	0.1471	0
7	Transmission Lease Payments	0		1.0000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 1a, 2, 4, 5)	12,317,514			5,453,250
DEBT SERVICE					
9a	Debt Service - Transmission Bond Resolution (Note T)	2,062,552		1.0000	2,062,552
9b	Debt Service- Excluding Transmission Bond Resolution (Note U)	24,548,003	GP 2	0.1093	2,682,878
10	Amortization of premium or discount (Note V)	0	GP	0.1826	0
11	TOTAL DEBT SERVICE (Sum lines 9 - 10)	26,608,555			4,745,430
TAXES OTHER THAN INCOME TAXES (Note G)					
LABOR RELATED					
13	Payroll	0	W/S	0.1471	0
14	Highway and vehicle	0	W/S	0.1471	0
PLANT RELATED					
16a	Property- Transmission Only (Note G)	489,283		1.0000	489,283
16b	Property- General Plant	72,939	GP	0.1826	13,319
17	Gross Receipts	0		0.0000	0
18	Other	0	GP	0.1826	0
19	Payments in lieu of taxes	0	GP	0.1826	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	562,222			502,602
21	SUBTOTAL (sum lines 8, 11, 20)	39,488,291			10,701,282
22	MARGIN REQUIREMENT (Note H)	6,652,139	GP	0.1826	1,214,681
23	REV. REQUIREMENT (sum lines 21 22)	46,140,430			11,915,963

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/11

Missouri River Energy Services

Line
No.

SUPPORTING CALCULATIONS AND NOTES

GROSS PLANT IN SERVICE		EIA 412 Reference	Company Total	Allocator		Transmission
1	Production	IV.6.f	283,177,580	NA	0.0000	0
2a	Transmission, excluding separate T	IV.7.f	36,388,996	TP	1.0000	36,388,996
2b	Separate Transmission Project (No	IV.7.f	27,899,752	TP	1.0000	27,899,752
3	Distribution	IV.8.f	0	NA	0.0000	0
4	General & Intangible	IV.9.f	23,271,657	W/S	0.1471	3,423,261
5	Common		0	CE	0.0000	0
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>370,737,985</u>	GP	0.1826	<u>67,712,009</u>
6a	Gross Plant Allocator, excluding Separate Transmission Project TRANSMISSION PLANT INCLUDED IN ISO RATES		<u>342,838,233</u>	GP 2	0.1093	<u>37,471,347</u>
7	Total transmission plant (line 2)					64,288,748
8	Less transmission plant excluded from ISO rates (Note J)					0
9	Less transmission plant included in OATT Ancillary Services (Note K)					0
10	Transmission plant included in ISO rates (line 7 less lines 8 & 9)					64,288,748
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)				TP=	1.00000
TRANSMISSION EXPENSES						
12	Total transmission expenses (page 2, line 1, column 3)					22,698,725
13	Less transmission expenses included in OATT Ancillary Services (Note I)					<u>339,911</u>
14	Included transmission expenses (line 12 less line 13)					22,358,814
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)					0.98503
16	Percentage of transmission plant included in ISO Rates (line 11)				TP	1.00000
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)				TE=	0.98503
WAGES & SALARY ALLOCATOR (W&S) (Note L)						
			\$	Allocation		
18	Production		2,474,341	0.00		0
19	Transmission		449,120	1.00		449,120
20	Distribution		0	0.00		0
21	Other		130,507			0
22	Total (sum lines 18-21)		<u>3,053,968</u>			<u>449,120</u> = 0.1471
COMMON PLANT ALLOCATOR (CE) (Note M)						
			\$	% Electric	Labor Ratio	CE
23	Electric		370,737,985	(line 23 / line 26)	(line 22)	
24	Gas		0	1.00000	0.1471	0.1471
25	Water		0			
26	Total (sum lines 23-25)		<u>370,737,985</u>			
FINANCING DATA						
			\$			
27	Long Term Debt	II.33.b +34.b	<u>\$277,500,000</u>			
28	Debt Service		26,608,555			
29	Interest on Long Term Debt	III.16.b + III.17.b (Note R)	<u>14,719,409</u>			
30	Bond Principal Amortization (line 28 less line 29)		<u>11,889,146</u>			
REVENUE CREDITS						
						Load
ACCOUNT 447 (SALES FOR RESALE)						
31	a. Bundled Non-RQ Sales for Resale	(Note N)				
32	b. Bundled Sales for Resale included in Divisor on page 1					
33	Total of (a)-(b)			0		
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O)			\$136,585		
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)						
35	a. Transmission charges for all transmission transactions			\$16,061,707		
36	b. Transmission charges for all transmission transactions included in Divisor on page 1			<u>\$16,050,473</u>		
37	Total of (a)-(b)			\$11,234		

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/11

Missouri River Energy Services

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from EIA Form 412 are indicated as: x.y.z (section, line, column)

To the extent the page references to EIA Form 412 are missing, the entity will include a "Notes" section in the EIA Form 412 to provide this data.

Note Letter	
A	The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of ISO coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
B	Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of ISO coincident monthly peaks.
C	LF as defined above at time of ISO coincident monthly peaks.
D	LF as defined above at time of ISO coincident monthly peaks.
E	The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
F	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
G	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere. MRES segregates property taxes between generation, transmission, and general plant based on internal accounting records. Therefore, MRES transmission property taxes are directly assigned to the revenue requirement and general property taxes will be allocated based on the GP allocator. Work papers will be provided."
H	The Margin Requirement is the margin the utility uses in calculating rates applicable to its native load sales. The Margin Requirement as a percent of interest expense yields a TIER (times interest earned ratio), and the Margin Requirement as a percent of debt service is the DSR (debt service ratio), either of which may be referred to as a Margin Ratio (MR). Some utilities have MRs required by bond covenants and/or MRs that include expenses additional to interest or debt service (for example, an MR equal to a percentage of the sum of DS+O&M). The ISO will review such party's filings to assure that the MRs are consistent with those applicable to native load or required by bond covenants and utility must provide workpapers showing derivation of margin. The margin requirement will be allocated on GP.
I	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
J	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
K	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
L	If the utility has more employees assigned to A&G than to the sum of production, transmission, and distribution, set the W&S allocator at page 3, line 22 equal to the gross plant allocator (GP) at page 3, line 6.
M	Enter dollar amounts.
N	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
O	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
P	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
Q	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
R	From Reference II.17.b include only the amount from Account 430.
S	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
T	Represents only Debt Service that can be directly assigned to transmission assets and no other types of assets. Work papers will be provided.
U	Represents all Debt Service, other than transmission debt service included in line 9a, page 2. Work papers will be provided.
V	The amortization of debt discounts and premiums are excluded since amortization is a non-cash item that does not affect debt service cash flow. The principal and interest payments already reflect all discounts or premiums when the debt was originally issued.
W	Represents only transmission assets that can be directly assigned to the Transmission Service Agreements and no other types of assets. These transmission assets were financed under the Transmission Bond Resolution. Work papers will be provided.
X	Transmission Expense will be the sum of (a) Form 412 VII.8.d and (b) facility credits for the Iny Simmons project in the Integrated System (IS).

***Missouri River Energy Services
2011 Estimated
Revenue Requirement Template***

Confidential

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/09

Missouri River Energy Services

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)		\$ 12,222,916
	REVENUE CREDITS	(Note Q)	Total	
2	Account No. 454	(page 3, line 34)	0	0
3	Account No. 456.1	(page 3, line 37)	202,947	202,947
4	Revenues from Grandfathered Interzonal Transactions		0	0
5	Revenues from service provided by the ISO at a discount		0	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			202,947
7	NET REVENUE REQUIREMENT	(line 1 minus line 6)		\$ 12,019,969

Allocation of Net Revenue Requirements by Pricing Zones:					Marshall Wind	Total
	Irv Simmons	OTP	MBPP	Circuit		
Transmission Plant Investment	\$ 1,957,786	\$ 27,514,314	\$ 29,358,631	\$ -		\$ 58,830,731
% of Total Transmission Plant	3.3%	46.8%	49.9%	0.0%		100.0%
Net Transmission Revenue Requirement (Allocated on Transmission Plant)	\$ 396,659	\$ 5,621,572	\$ 5,997,965	\$ -		\$ 12,019,969

DIVISOR					
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	625,690
9	Plus 12 CP of firm bundled sales over one year not in line 8			(Note B)	0
10	Plus 12 CP of Network Load not in line 8			(Note C)	0
11	Less 12 CP of firm P-T-P over one year (enter negative)			(Note D)	0
12	Plus Contract Demand of firm P-T-P over one year				0
13	Less Contract Demand from Grandfathered Interzonal transactions over one year (enter negative) (Note P)				0
14	Less 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)				625,690
16	Annual Cost (\$/kW/Yr)	(line 7/ line 15)	\$ 19,211		
17	Network & P-to-P Rate (\$/kW/Mo) (line 11/ 12)		\$ 1.601		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16/ 52)	0.369		\$0.369
19	Point-To-Point Rate (\$/kW/Day)	(line 18/ 5; line 18/ 7)	0.074	Capped at weekly rate	\$0.053
20	Point-To-Point Rate (\$/MWh)	(line 19/ 16; line 19/ 24 times 1,000)	4.618	Capped at weekly and daily rates	\$2.199
21	FERC Annual Charge(\$/MWh)	(Note E)	\$0.000	Short Term	\$0.000
22			\$0.000	Long Term	\$0.000

Formula Rate - Cash Flow

Rate Formula Template
 Utilizing EIA Form 412 Data

For the 12 months ended 12/31/09

Line No.	(1)	(2)	(3)	(4)	(5)
		EIA 412 Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)
O&M					
1	Transmission (Note X)		18,645,820	TE	1.0000
1a	Less LSE Expenses included in Transmission O&M Accounts (†)		0		1.0000
2	Less Account 565		15,124,840		1.0000
3	A&G	VII.13.d	8,801,617	W/S	0.1942
4	Less FERC Annual Fees		0	W/S	0.1942
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)		896,335	W/S	0.1942
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)		862,219	TE	1.0000
6	Common		0	CE	0.1942
7	Transmission Lease Payments		0		1.0000
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 1a, 2, 4, 5)		12,288,461		
DEBT SERVICE					
9a	Debt Service - Transmission Bond Resolution (Note T)		2,214,606		1.0000
9b	Debt Service- Excluding Transmission Bond Resolution (Note U)		23,799,538	GP 2	0.1068
10	Amortization of premium or discount (Note V)		0	GP	0.1748
11	TOTAL DEBT SERVICE (Sum lines 9 - 10)		26,014,144		
TAXES OTHER THAN INCOME TAXES (Note G)					
LABOR RELATED					
13	Payroll		0	W/S	0.1942
14	Highway and vehicle		0	W/S	0.1942
PLANT RELATED					
16a	Property- Transmission Only (Note G)		400,985		1.0000
16b	Property- General Plant		55,372	GP	0.1748
17	Gross Receipts		0	GP	0.0000
18	Other		0	GP	0.1748
19	Payments in lieu of taxes		0	GP	0.1748
20	TOTAL OTHER TAXES (sum lines 13 - 19)		456,357		
21	SUBTOTAL (sum lines 8, 11, 20)		36,758,982		
22	MARGIN REQUIREMENT (Note H)		6,503,536	GP	0.1748
23	REV. REQUIREMENT (sum lines 21 22)		45,262,518		

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/09

Missouri River Energy Services

Line No.	SUPPORTING CALCULATIONS AND NOTES				
	EIA 412 Reference	Company Total	Allocator		Transmission
GROSS PLANT IN SERVICE					
1	Production IV.6.f	280,322,814	NA	0.0000	0
2a	Transmission, excluding separate 1 IV.7.f	31,316,417	TP	1.0000	31,316,417
2b	Separate Transmission Project (No IV.7.f)	27,514,314	TP	1.0000	27,514,314
3	Distribution IV.8.f	0	NA	0.0000	0
4	General & Intangible IV.9.f	22,621,953	W/S	0.1942	4,393,517
5	Common	0	CE	0.1942	0
6	TOTAL GROSS PLANT (sum lines 1-5)	<u>361,775,498</u>	GP	0.1748	<u>63,224,248</u>
6a	Gross Plant Allocator, excluding Separate Transmission Project TRANSMISSION PLANT INCLUDED IN ISO RATES	<u>334,261,184</u>	GP 2	0.1068	<u>35,709,934</u>
7	Total transmission plant (line 2)				58,830,731
8	Less transmission plant excluded from ISO rates (Note J)				0
9	Less transmission plant included in OATT Ancillary Services (Note K)				0
10	Transmission plant included in ISO rates (line 7 less lines 8 & 9)				<u>58,830,731</u>
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)			TP=	1.00000
TRANSMISSION EXPENSES					
12	Total transmission expenses (page 2, line 1, column 3)				18,645,820
13	Less transmission expenses included in OATT Ancillary Services (Note I)				0
14	Included transmission expenses (line 12 less line 13)				<u>18,645,820</u>
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)				1.00000
16	Percentage of transmission plant included in ISO Rates (line 11)			TP	1.00000
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)			TE=	1.00000
WAGES & SALARY ALLOCATOR (W&S) (Note L)					
		\$		Allocation	
18	Production	2,260,156	0.00	0	
19	Transmission	566,753	1.00	566,753	
20	Distribution	0	0.00	0	
21	Other	91,269		0	
22	Total (sum lines 18-21)	<u>2,918,179</u>		<u>566,753</u>	= 0.1942
COMMON PLANT ALLOCATOR (CE) (Note M)					
		\$		% Electric	Labor Ratio
23	Electric	361,775,498		(line 23 / line 26)	(line 22)
24	Gas	0		1.00000	0.1942 =
25	Water	0			0.1942
26	Total (sum lines 23-25)	<u>361,775,498</u>			
FINANCING DATA					
		\$			
27	Long Term Debt II.33.b +34.b	<u>\$216,666,942</u>			
28	Debt Service	26,014,144			
29	Interest on Long Term Debt III.16.b + III.17.b (Note R)	<u>11,934,781</u>			
30	Bond Principal Amortization (line 28 less line 29)	<u>14,079,383</u>			
REVENUE CREDITS					
					Load
ACCOUNT 447 (SALES FOR RESALE)					
31	a. Bundled Non-RQ Sales for Resale (Note N)				
32	b. Bundled Sales for Resale included in Divisor on page 1				
33	Total of (a)-(b)				<u>0</u>
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O)				<u>\$0</u>
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)					
35	a. Transmission charges for all transmission transactions				\$202,947
36	b. Transmission charges for all transmission transactions included in Divisor on page 1				<u>\$0</u>
37	Total of (a)-(b)				<u>\$202,947</u>

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/09

Missouri River Energy Services

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from EIA Form 412 are indicated as: x.y.z (section, line, column)

To the extent the page references to EIA Form 412 are missing, the entity will include a "Notes" section in the EIA Form 412 to provide this data.

Note
Letter

- A The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of ISO coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
- B Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of ISO coincident monthly peaks.
- C LF as defined above at time of ISO coincident monthly peaks.
- D LF as defined above at time of ISO coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
- F Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
- G Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere. MRES segregates property taxes between generation, transmission, and general plant based on internal accounting records. Therefore, MRES transmission property taxes are directly assigned to the revenue requirement and general property taxes will be allocated based on the GP allocator. Work papers will be provided."
- H The Margin Requirement is the margin the utility uses in calculating rates applicable to its native load sales. The Margin Requirement as a percent of interest expense yields a TIER (times interest earned ratio), and the Margin Requirement as a percent of debt service is the DSR (debt service ratio), either of which may be referred to as a Margin Ratio (MR). Some utilities have MRs required by bond covenants and/or MRs that include expenses additional to interest or debt service (for example, an MR equal to a percentage of the sum of DS+O&M). The ISO will review such party's filings to assure that the MRs are consistent with those applicable to native load or required by bond covenants and utility must provide workpapers showing derivation of margin. The margin requirement will be allocated on GP.
- I Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
- J Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- L If the utility has more employees assigned to A&G than to the sum of production, transmission, and distribution, set the W&S allocator at page 3, line 22 equal to the gross plant allocator (GP) at page 3, line 6.
- M Enter dollar amounts.
- N Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
- O Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- P Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- Q The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
- R From Reference II.17.b include only the amount from Account 430.
- S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- T Represents only Debt Service that can be directly assigned to transmission assets and no other types of assets. Work papers will be provided.
- U Represents all Debt Service, other than transmission debt service included in line 9a, page 2. Work papers will be provided.
- V The amortization of debt discounts and premiums are excluded since amortization is a non-cash item that does not affect debt service cash flow. The principal and interest payments already reflect all discounts or premiums when the debt was originally issued.
- W Represents only transmission assets that can be directly assigned to the Transmission Service Agreements and no other types of assets. These transmission assets were financed under the Transmission Bond Resolution. Work papers will be provided.
- X Transmission Expense will be the sum of (a) Form 412 VII 8.d and (b) facility credits for the Iv Simmons project in the Integrated System (IS).

NWPS
2011 Actual
Revenue Requirement Template

Line No.	Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)				\$ 3,961,914
	REVENUE CREDITS	(Note T)	Total	Allocator	
2	Account No. 454	(page 4, line 34)	185,992	TP 0.85953	159,865
3	Account No. 456	(page 4, line 37)	193,445	TP 0.85953	166,271
4	Revenues from Grandfathered Interzonal Transactions		0	TP 0.85953	0
5	Revenues from service provided by the ISO at a discount		0	TP 0.85953	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)				<u>326,136</u>
7	NET REVENUE REQUIREMENT (line 1 minus line 6)				<u>\$ 3,635,778</u>
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	267
9	Plus 12 CP of firm bundled sales over one year not in line 8			(Note B)	14,000
10	Plus 12 CP of Network Load not in line 8			(Note C)	0
11	Less 12 CP of firm P-T-P over one year (enter negative)			(Note D)	0
12	Plus Contract Demand of firm P-T-P over one year				0
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)				0
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)				<u>14,267</u>
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	254.834		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	21.236		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	4.901		\$4,901
19	Point-To-Point Rate (\$/kW/Day)	(line 18 / 5; line 18 / 7)	0.980	Capped at weekly rate	\$0.700
20	Point-To-Point Rate (\$/MWh)	(line 19 / 16; line 19 / 24 times 1,000)	61.258	Capped at weekly and daily rates	\$29.171
21	FERC Annual Charge(\$/MWh)	(Note E)	\$0.000	Short Term	\$0.000 Short Term
22			\$0.000	Long Term	\$0.000 Long Term

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/11

Line No.	(1) RATE BASE:	Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities				
		(2) Form No. 1 Page, LIne, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
GROSS PLANT IN SERVICE						
1	Production	206.42.g	161,113,959	NA		
2	Transmission	206.53.g	44,280,597	TP	0.85953	38,060,352
3	Distribution	206.69.g	242,808,257	NA		
4	General & Intangible	206.5.g & 83.g	12,281,284	W/S	0.08520	1,046,390
5	Common	356.1	22,410,882	CE	0.05520	1,236,981
6	TOTAL GROSS PLANT (sum lines 1-5)		482,894,979	GP=	8.355%	40,343,723
ACCUMULATED DEPRECIATION						
7	Production	219.18-22.c	111,025,033	NA		
8	Transmission	219.23.c	23,999,288	VEst.	74.942%	17,985,465
9	Distribution	219.24.c	96,132,385	NA		
10	General & Intangible	219.25.c	2,938,423	W/S	0.08520	250,360
11	Common	356.1	6,338,969	CE	0.05520	349,883
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		240,434,097			18,585,708
NET PLANT IN SERVICE						
13	Production	(line 1- line 7)	50,088,927			
14	Transmission	(line 2- line 8)	20,281,309			20,074,887
15	Distribution	(line 3 - line 9)	146,675,872			
16	General & Intangible	(line 4 - line 10)	9,342,861			796,031
17	Common	(line 5 - line 11)	16,071,913			887,098
18	TOTAL NET PLANT (sum lines 13-17)		242,460,881	NP=	8.974%	21,758,015
ADJUSTMENTS TO RATE BASE (Note F)						
19	Account No. 281 (enter negative)	273.8.k	0	NA	zero	0
20	Account No. 282 (enter negative)	275.2.k	-44,552,839	NP	0.08974	-3,998,094
21	Account No. 283 (enter negative)	277.9.k	0	NP	0.08974	0
22	Account No. 190	234.8.c	3,973,603	NP	0.08974	356,584
23	Account No. 255 (enter negative)	267.8.h	-1,404,221	NP	0.08974	-126,012
24	TOTAL ADJUSTMENTS (sum lines 19- 23)		-41,983,457			-3,767,522
25	LAND HELD FOR FUTURE USE	214.x.d (Note G)	0	VEst.	0.74942	0
WORKING CAPITAL (Note H)						
26	CWC	calculated	281,655			45,651
27	Materials & Supplies (Note G)	227.6.c & .15.c	0		1.00000	0
28	Prepayments (Account 165)	111.46.d	0	GP	0.08355	0
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		281,655			45,651
30	RATE BASE (sum lines 18, 24, 25, & 29)		200,759,079			18,036,144

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities

Line No.	(1)	(2)	(3)	(4)	(5)	
	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)		
O&M						
1	Transmission	321.100.b	1,648,286	TE	0.85953	1,606,225
2	Less Account 565	321.88.b	1,348,861		1.00000	1,348,861
3	A&G	323.168.b	1,953,816	W/S	0.05520	107,842
4	Less FERC Annual Fees		0	W/S	0.05520	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		0	W/S	0.05520	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE	0.85953	0
6	Common	356.1	0	CE	0.05520	0
7	Transmission Lease Payments		0		1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		<u>2,253,241</u>			<u>365,206</u>
DEPRECIATION EXPENSE						
9	Transmission	336.7.b	1,447,976	VRB00	0.74942	1,247,062
10	General	336.9.b	720,480	W/S	0.05520	39,767
11	Common	336.10.b	1,417,010	CE	0.05520	78,213
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>3,585,465</u>			<u>1,365,042</u>
TAXES OTHER THAN INCOME TAXES (Note J)						
LABOR RELATED						
13	Payroll	262.i	773,391	W/S	0.05520	42,688
14	Highway and vehicle	262.i	54,102	W/S	0.05520	2,986
PLANT RELATED						
16	Property	262.i	3,391,246	GP	0.08355	283,323
17	Gross Receipts	262.l	156,307	GP	0.08355	13,059
18	Other	262.i	239,415	GP	0.08355	20,002
19	Payments in lieu of taxes		0	GP	0.08355	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>4,614,461</u>			<u>362,058</u>
INCOME TAXES (Note K)						
21	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$ =		35.00%			
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R= (page 4, line30) and FIT, SIT & p are as given in footnote K.		34.76%			
23	$1 / (1 - T) =$ (from line 21)		1.5385			
24	Amortized Investment Tax Credit (266.8f) (enter negative)		-1,404,221			
25	Income Tax Calculation = line 22 * line 28		5,923,937	NA		532,205
26	ITC adjustment (line 23 * line 24)		-2,160,340	NP	0.08974	-193,865
27	Total Income Taxes (line 25 plus line 26)		<u>3,763,597</u>			<u>338,340</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		17,044,446	NA		1,531,269
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		<u><u>31,261,210</u></u>			<u><u>3,961,914</u></u>

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities

SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES							
1	Total transmission plant	(page 2, line 2, column 3)						44,280,597
2	Less transmission plant excluded from ISO rates	(Note M)						6,220,244
3	Less transmission plant included in OATT Ancillary Services	(Note N)						0
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)							38,060,352
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)				TP=			0.85953
TRANSMISSION EXPENSES								
6	Total transmission expenses	(page 3, line 1, column 3)						1,648,286
7	Less transmission expenses included in OATT Ancillary Services	(Note L)						0
8	Included transmission expenses (line 6 less line 7)							1,648,286
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)							1.00000
10	Percentage of transmission plant included in ISO Rates (line 5)				TP			0.85953
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)				TE=			0.85953
WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	\$	TP	Allocation			
12	Production	354.18.b	2,077,203	0.00	0			
13	Transmission	354.19.b	3,379,526	0.86	2,904,793			
14	Distribution	354.20.b	26,664,340	0.00	0			
15	Other	354.21,22,23.b	7,543,789	0.00	0			
16	Total (sum lines 12-15)		39,664,858		2,904,793	=	0.07323 = WS	0.08520 = Wsact
COMMON PLANT ALLOCATOR (CE) (Note O)								
			\$	% Electric	W&S Allocator			CE
17	Electric	200.3.c	460,538,538	(line 17 / line 20)	(line 16)			
18	Gas	200.3.d	150,503,744	0.75369 *	0.07323 =			0.05520
19	Water	200.3.e	0					
20	Total (sum lines 17 - 19)		611,042,283					
RETURN (R)								
21	Long Term Interest (117, sum of 56c through 60c)							\$0
22	Preferred Dividends (118.29c) (positive number)							\$ -
Development of Common Stock:								
23	Proprietary Capital (112.14d)							0
24	Less Preferred Stock (line 28)							0
25	Less Account 216.1 (112.12d) (enter negative)							0
26	Common Stock (sum lines 23-25)							0
			\$	%	Cost (Note P)	Weighted		
27	Long Term Debt (112, sum of 16d through 19d)		905,205,000	0.5131	0.0586	0.0000	0.0301	=WCLTD
28	Preferred Stock (112.3d)		0	0.0000	0.0000	0.0000	0.0000	
29	Common Stock (line 26)		859,112,942	0.4869	0.0000	0.1125	0.0000	0.0548
30	Total (sum lines 27-29)		1,764,317,942	0.0000	0.0000	0.0000	0.0849	=R
REVENUE CREDITS								
							Load	
31	ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)							
	a. Bundled Non-RQ Sales for Resale (311.x.h)							106,032
32	b. Bundled Sales for Resale included in Divisor on page 1							106,032
33	Total of (a)-(b)							0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)							\$185,992
35	ACCOUNT 456 (OTHER ELECTRIC REVENUES) (330.x.n)							\$193,445
	a. Transmission charges for all transmission transactions							\$193,445
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1							\$0
37	Total of (a)-(b)							\$193,445

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- A Peak as would be reported on page 401, column d of Form 1 at the time of the ISO coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the ISO coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
- F The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
- G Identified in Form 1 as being only transmission related.
- H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 100-111 line 46 in the Form 1.
- I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$ (page 3, line 26).
- | | | | |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 35.00% | |
| | SIT= | 0.00% | (State Income Tax Rate or Composite SIT) |
| | p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
- M Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
- N Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- O Enter dollar amounts
- P Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
- Q Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
- R Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- T The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.

NWPS
2011 Estimated
Revenue Requirement Template

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/09

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities

				Allocated Amount
GROSS REVENUE REQUIREMENT (page 3, line 29)				<u>\$ 2,553,769</u>
REVENUE CREDITS (Note T)		Total	Allocator	
Account No. 454 (page 4, line 34)		165,720	TP 0.81038	134,293
Account No. 458 (page 4, line 37)		86,380	TP 0.81038	69,998
Revenues from Grandfathered Interzonal Transactions		0	TP 0.81038	0
Revenues from service provided by the ISO at a discount		0	TP 0.81038	0
TOTAL REVENUE CREDITS (sum lines 2-5)				<u>204,291</u>
NET REVENUE REQUIREMENT (line 1 minus line 6)				<u>\$ 2,349,478</u>
DIVISOR				
Average of 12 coincident system peaks for requirements (RQ) service	(Note A)			235,917
Plus 12 CP of firm bundled sales over one year not in line 8	(Note B)			14,000
Plus 12 CP of Network Load not in line 8	(Note C)			0
Less 12 CP of firm P-T-P over one year (enter negative)	(Note D)			0
Plus Contract Demand of firm P-T-P over one year				0
Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)				0
Less Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
Divisor (sum lines 8-14)				<u>249,917</u>
Annual Cost (\$/kWYr) (line 7 / line 15)		9.401		
Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)		0.783		
		Peak Rate	Off-Peak Rate	
Point-To-Point Rate (\$/kW/Wk) (line 18 / 52; line 18 / 52)		0.181		\$0.181
Point-To-Point Rate (\$/kW/Day) (line 18 / 5; line 18 / 7)		0.038	Capped at weekly rate	\$0.028
Point-To-Point Rate (\$/MWh) (line 19 / 16; line 19 / 24 times 1,000)		2.260	Capped at weekly and daily rates	\$1.076
FERC Annual Charge(\$/MWh) (Note E)		\$0.000	Short Term	\$0.000
		\$0.000	Long Term	\$0.000

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/09

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities				
(1)	(2)	(3)	(4)	(5)
	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)
RATE BASE:				
GROSS PLANT IN SERVICE				
Production	206.42.g	156,992,136	NA	
Transmission	206.53.g	32,799,950	TP	0.81036
Distribution	206.69.g	219,701,382	NA	
General & Intangible	206.5.g & 83.g	9,835,191	W/S	0.04261
Common	356.1	20,915,117	CE	0.02601
TOTAL GROSS PLANT (sum lines 1-5)		442,243,776	GP=	6.228%
ACCUMULATED DEPRECIATION				
Production	219.18-22.c	102,313,590	NA	
Transmission	219.23.c	20,718,080	VEsL	72.913%
Distribution	219.24.c	87,301,009	NA	
General & Intangible	219.25.c	2,464,070	W/S	0.04261
Common	356.1	4,729,590	CE	0.02601
TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		217,528,338		15,334,086
NET PLANT IN SERVICE				
Production	(line 1- line 7)	56,678,546		
Transmission	(line 2- line 8)	12,081,871		11,473,621
Distribution	(line 3 - line 9)	132,400,373		
General & Intangible	(line 4 - line 10)	7,371,121		314,102
Common	(line 5 - line 11)	16,185,527		420,936
TOTAL NET PLANT (sum lines 13-17)		224,717,438	NP=	5.433%
ADJUSTMENTS TO RATE BASE (Note F)				
Account No. 281 (enter negative) 273.8.k		0	NA	zero
Account No. 282 (enter negative) 275.2.k		-41,774,514	NP	0.05433
Account No. 283 (enter negative) 277.9.k		1,065,318	NP	0.05433
Account No. 190	234.8.c	-14,654,666	NP	0.05433
Account No. 255 (enter negative) 267.6.h		-2,183,567	NP	0.05433
TOTAL ADJUSTMENTS (sum lines 19- 23)		-57,547,429		-3,126,491
LAND HELD FOR FUTURE USE 214.x.c.d (Note G)		0	VEsL	0.72913
WORKING CAPITAL (Note H)				
CWC	calculated	755,467		53,052
Materials & Supplies (Note G)	227.6.c & .15.c	0		0
Prepayments (Account 165)	111.46.d	0	GP	0.06228
TOTAL WORKING CAPITAL (sum lines 26 - 28)		755,467		53,052
RATE BASE (sum lines 18, 24, 25, & 29)		167,925,475		9,135,223

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/09

		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. joint Plant Transmission Facilities			
(1)	(2)	(3)	(4)	(5)	
	Form No. 1 Page, Line, Col.	Company Total	Allocater	Transmission (Col 3 times Col 4)	
O&M					
Transmission	321.100.b	6,033,541	TE	0.81036	5,968,928
Less Account 565	321.88.b	5,692,828		1.00000	5,692,828
A&G	323.168.b	5,703,019	W/S	0.02601	148,319
Less FERC Annual Fees		0	W/S	0.02601	0
Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		0	W/S	0.02601	0
Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE	0.81036	0
Common	358.1	0	CE	0.02601	0
Transmission Lease Payments		0		1.00000	0
TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		<u>6,043,733</u>			<u>424,419</u>
DEPRECIATION EXPENSE					
Transmission	336.7.b	1,072,556	VRB00	0.72913	671,644
General	336.9.b	626,662	W/S	0.02601	16,298
Common	336.10.b	848,471	CE	0.02601	24,667
TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>2,647,691</u>			<u>912,609</u>
TAXES OTHER THAN INCOME TAXES (Note J)					
LABOR RELATED					
Payroll	262.i	732,029	W/S	0.02601	19,038
Highway and vehicle	262.i	44,426	W/S	0.02601	1,155
PLANT RELATED					
Property	262.i	3,359,658	GP	0.06228	209,238
Gross Receipts	262.i	161,272	NA	zero	0
Other	262.i	207,624	GP	0.06228	12,931
Payments in lieu of taxes		0	GP	0.06228	0
TOTAL OTHER TAXES (sum lines 13 - 19)		<u>4,505,009</u>			<u>242,362</u>
INCOME TAXES (Note K)					
$T = 1 - \{(1 - \text{SIT}) * (1 - \text{FIT})\} / (1 - \text{SIT} * \text{FIT} * p) =$		35.00%			
$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / R)) =$		32.42%			
where WCLTD = (page 4, line 27) and R = (page 4, line 30)					
and FIT, SIT & p are as given in footnote K.					
$1 / (1 - T) =$ (from line 21)		1.5385			
Amortized Investment Tax Credit (266.8f) (enter negative)		-456,492			
Income Tax Calculation = line 22 * line 28		4,557,239	NA		247,916
ITC adjustment (line 23 * line 24)		-702,285	NP	0.05433	-38,155
Total Income Taxes (line 25 plus line 26)		<u>3,854,944</u>			<u>209,761</u>
RETURN		14,055,382	NA		764,618
[Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]					
REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		<u>31,106,739</u>			<u>2,553,769</u>

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT Joint Plant Transmission Facilities

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN ISO RATES

Total transmission plant (page 2, line 2, column 3)	32,799,950
Less transmission plant excluded from ISO rates (Note M)	6,220,244
Less transmission plant included in OATT Ancillary Services (Note N)	<u>0</u>
Transmission plant included in ISO rates (line 1 less lines 2 & 3)	26,579,706
Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)	TP= 0.81036

TRANSMISSION EXPENSES

Total transmission expenses (page 3, line 1, column 3)	6,033,541
Less transmission expenses included in OATT Ancillary Services (Note L)	<u>0</u>
Included transmission expenses (line 6 less line 7)	6,033,541
Percentage of transmission expenses after adjustment (line 8 divided by line 6)	1.00000
Percentage of transmission plant included in ISO Rates (line 5)	TP 0.81036
Percentage of transmission expenses included in ISO Rates (line 9 times line 10)	TE= 0.81036

WAGES & SALARY ALLOCATOR (W&S)

	Form 1 Reference	\$	TP	Allocation		
Production	354.18.b	470,841	0.00	0		
Transmission	354.19.b	288,963	0.81	234,164		
Distribution	354.20.b	4,198,950	0.00	0		
Other	354.21, 22, 23.b	1,822,621	0.00	0		
Total (sum lines 12-15)		6,781,176		234,164	=	W&S Allocator (\$ / Allocation) = WS
						0.03453 = WS
						0.04281 = Wsact

COMMON PLANT ALLOCATOR (CE) (Note O)

	Form 1 Reference	\$	% Electric (line 17 / line 20)	W&S Allocator (line 16)	CE
Electric	200.3.c	421,377,251	0.75314	0.03453	= 0.02601
Gas	200.3.d	138,114,915			
Water	200.3.e	0			
Total (sum lines 17 - 19)		559,492,166			

RETURN (R)

	\$	%	Cost (Note P)	Weighted	
Long Term Interest (117, sum of 56c through 60c)	\$0				
Preferred Dividends (118.29c) (positive number)	\$ -				
Development of Common Stock:					
Proprietary Capital (112.14d)	0				
Less Preferred Stock (line 28)	0				
Less Account 216.1 (112.12d) (enter negative)	0				
Common Stock (sum lines 23-25)	0				
Long Term Debt (112, sum of 16d through 19d)	971,001,082	0.5523	0.0000	0.0603	0.0000 =WCLTD
Preferred Stock (112.3d)	0	0.0000	0.0000	0.0000	0.0000
Common Stock (line 28)	787,025,027	0.4477	0.0000	0.1125	0.0000 0.0504
Total (sum lines 27-29)	1,758,026,089		0.0000	0.0000	0.0000 0.0837 =R

REVENUE CREDITS

	(310-311)	(Note Q)	Load
ACCOUNT 447 (SALES FOR RESALE)			
a. Bundled Non-RQ Sales for Resale (311.x.h)			216,524
b. Bundled Sales for Resale included in Divisor on page 1			216,524
Total of (a)-(b)			0
ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)			165,720
ACCOUNT 456 (OTHER ELECTRIC REVENUES) (330.x.n)			
a. Transmission charges for all transmission transactions			211,908
b. Transmission charges for all transmission transactions included in Divisor on Page 1			125,529
Total of (a)-(b)			337,437

Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col #)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Peak as would be reported on page 401, column d of Form 1 at the time of the ISO coincident monthly peaks.

Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the ISO coincident monthly peaks.

Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.

Labeled LF on page 328 of Form 1 at the time of the ISO coincident monthly peaks.

The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.

The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets

or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility

chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.

Identified in Form 1 as being only transmission related.

Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5.

Prepayments are the electric related prepayments booked to Account No. 165 and reported on Pages 100-111 line 46 in the Form 1.

Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety

related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service,

ISO filings, or transmission siting itemized at 351.h.

Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.

Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula

Template, since they are recovered elsewhere.

The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$

"the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a

work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that

elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce

rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)

multiplied by $(1/1-T)$ (page 3, line 26).

Inputs Required:	FIT =	35.00%	
	SIT =	0.00%	(State Income Tax Rate or Composite SIT)
	p =	0.00%	(percent of federal income tax deductible for state purposes)

Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.

Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1

balances are adjusted to reflect application of seven-factor test).

Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation

step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up

facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

Enter dollar amounts

Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) /

preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent

a filing with FERC.

Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account

No. 456 and all other uses are to be included in the divisor.

Includes income related only to transmission facilities, such as pole attachments, rentals and special use.

Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1

and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate

pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.

The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements)

or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include

revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct

assignment facilities and GSUs) which are not recovered under this Rate Formula Template.