

***Integrated System  
Transmission and Ancillary Services  
2010 Rate True-up Calculation***

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

# Integrated System Transmission and Ancillary Services 2010 Rate True-up Calculation

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## IS Revenue Requirement True-up - 2010 Rate

A.	Projected Revenue Requirement	\$ 163,521,251	2010 Revenue Requirement Estimate
B.	Actual Revenue Requirement	<u>\$ 153,606,086</u>	2010 Revenue Requirement Actual
C.	Revenue Requirement Over Collected	\$ 9,915,165	(A - B)
D.	Estimated Load	4,605,000	2010 Load Estimate
E.	Actual Load	<u>4,625,000</u>	2010 Actual Load
F.	Actual Load to Estimated Load Comparison	(20,000)	(D - E)
G.	Over collection due to volume	\$ 710,200	(A *(B / D) * -1)
H.	Over Collection of Revenue Requirement	\$ 9,915,165	C
I.	Over Collection due to Volume	\$ 710,200	G
J.	Total Over Collection	<u>\$ 10,625,365</u>	(C + G)

***Integrated System  
Transmission Rates  
2010 Actual***

**INTEGRATED SYSTEM  
ANNUAL REVENUE REQUIREMENT  
FOR TRANSMISSION SERVICE  
Effective January 1, 2010 - Actual**

Line

No.

1			
2			
3	<u>Annual IS Transmission Costs</u>		<u>Notes</u>
4	Basin Electric	\$44,771,200	Basin Electric Revenue Requirement Template
5	Western	\$98,601,887	Western Revenue Requirement Template
6	Heartland	<u>\$1,017,192</u>	Heartland Revenue Requirement Template
7		\$144,390,279	L4 + L5 + L6
8			
9			
10	<u>Transmission Customer Facility Credits</u>		
11		\$5,944,012	MRES Revenue Requirement Template
12		<u>\$3,271,795</u>	NWPS Revenue Requirement Template
13		\$9,215,807	
14			
15			
16	<u>Annual Revenue Requirement for IS Transmission Service</u>		
17		\$153,606,086	L7 + L13
18			

## INTEGRATED SYSTEM FIRM POINT-TO-POINT RATE DESIGN Effective January 1, 2010 - Actual

Line

No.

1			
2			
3	<u>Annual Revenue Requirement for IS Transmission Service</u>		<u>Notes</u>
4			
5		\$153,606,086	IS Annual Revenue Requirement for
6			Transmission Service Worksheet, L33
7			
8	<u>IS Transmission System Total Load</u>		
9			
10		4,625,000 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		<b>\$2.77 / KW-Mo</b>	L5 / L10 / 12 months

**INTEGRATED SYSTEM**  
**NON-FIRM POINT-TO-POINT RATE DESIGN**  
**Effective January 1, 2010 - Actual**

Line

No.

1		
2		
3	<u>Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>	<u>Notes</u>
4		
5	\$2.77 / 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	<b>3.79 Mills/KWh</b>	(1.5 * 1000) / 730 hours per month

***Integrated System  
Transmission Rates  
2010 Estimated***

**INTEGRATED SYSTEM  
ANNUAL REVENUE REQUIREMENT  
FOR TRANSMISSION SERVICE  
Effective January 1, 2010**

Line

No.

1			
2			
3	<b><u>Annual IS Transmission Costs</u></b>		<b><u>Notes</u></b>
4	Basin Electric	\$43,991,644	Basin Electric Revenue Requirement Template
5	Western	\$109,858,592	Western Revenue Requirement Template
6	Heartland	<u>\$1,050,126</u>	Heartland Revenue Requirement Template
7		\$154,900,362	L4 + L5 + L6
8			
9			
10	<b><u>Transmission Customer Facility Credits</u></b>		
11		\$5,843,088	MRES Revenue Requirement Template
12		<u>\$2,777,801</u>	NWPS Revenue Requirement Template
13		\$8,620,889	
14			
15			
16	<b><u>Annual Revenue Requirement for IS Transmission Service</u></b>		
17		\$163,521,251	L7 + L13
18			

# INTEGRATED SYSTEM FIRM POINT-TO-POINT RATE DESIGN Effective January 1, 2010

Line

No.

1			
2			
3	<u>Annual Revenue Requirement for IS Transmission Service</u>		<u>Notes</u>
4			
5		\$163,521,251	IS Annual Revenue Requirement for
6			Transmission Service Worksheet, L33
7			
8	<u>IS Transmission System Total Load</u>		
9			
10		4,605,000 KW	IS Transmission System Total Load Worksheet, CSL14
11			
12			
13	<u>Maximum Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>		
14			
15		<b>\$2.96 / KW-Mo</b>	1.5 / L10 / 12 months

**INTEGRATED SYSTEM**  
**NON-FIRM POINT-TO-POINT RATE DESIGN**  
**Effective January 1, 2010**

Line

No.

1		
2		
3	<u>Firm Point-to-Point Transmission Rate in \$/KW-Mo</u>	<u>Notes</u>
4		
5	\$2.96 /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	<b>4.05 Mills/KWh</b>	(1.5 * 1000) / 730 hours per month

***Integrated System  
Load Data***

## 2010 IS Transmission System Total Load (MW)

Line No.	(1) Date	(2) Hour Ending	(3) Network Load	(4) Long-Term Firm Point-to-Point Reservations	(5) Total
1	01/07/10	1900	4,662	488	5,150
2	02/10/10	800	4,464	499	4,963
3	03/02/10	800	3,980	494	4,474
4	04/08/10	800	3,418	501	3,919
5	05/24/10	1700	3,691	476	4,167
6	06/30/10	1700	4,165	476	4,641
7	07/27/10	1700	4,624	476	5,100
8	08/09/10	1700	4,665	476	5,141
9	09/01/10	1700	3,581	476	4,057
10	10/29/10	800	3,694	476	4,170
11	11/23/10	800	4,299	476	4,775
12	12/31/10	1800	<u>4,472</u>	476	4,948
13					
14	<b>12 CP</b>		4,143	483	4,625



**2010 IS Transmission System Total Load Estimate  
Transmission Rate  
(MW)**

**4,605**

***Western's  
2010 Actual  
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)			\$ 118,667,890
	REVENUE CREDITS (Note R)	<u>Total</u>	<u>Allocator</u>	
2	Short-Term Firm Point-to-Point Transmission Service Credit	4,077,358	NA 1.00000	4,077,358
3	Non-Firm Point-to-Point Transmission Service Credit	12,956,858	NA 1.00000	12,956,858
4	Revenue from Existing Transmission Agreements	2,819,738	NA 1.00000	2,819,738
5	Scheduling, System Control, and Dispatch Service Credit	132,967	NA 1.00000	132,967
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>20,066,003</u>
9	NET REVENUE REQUIREMENT (line 1 minus line 8)			<u>\$ 98,601,887</u>

## Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2010

## Western Area Power Administration - UGPR &amp; RMR

Line No.	(1) RATE BASE:	(2) ROOs Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	<b>GROSS PLANT IN SERVICE (Note A)</b>				
1	Production	Schedule 1A Total	17,997,237	NA	
2	Transmission	Schedule 1A Total	1,004,765,477	TP	1.00000
3	Distribution	Schedule 1A Total	29,480,662	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)		1,052,243,376	GP=	95.486%
	<b>ACCUMULATED DEPRECIATION</b>				
7	Production	Schedule 4	8,610,342	NA	
8	Transmission	Schedule 4	480,195,289	TP	1.00000
9	Distribution	Schedule 4	14,104,208	NA	
		Bal Sheet - Other Assets			
10	General & Intangible	- SGL 175002	0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		502,909,839		
	<b>NET PLANT IN SERVICE</b>				
13	Production	(line 1 - line 7)	9,386,895		
14	Transmission	(line 2 - line 8)	524,570,188		524,570,188
15	Distribution	(line 3 - line 9)	15,376,454		
16	General & Intangible	(line 4 - line 10)	0		0
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		549,333,537	NP=	95.492%
	<b>ADJUSTMENTS TO RATE BASE (Note B)</b>				
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95492
21	Account No. 283 (enter negative)		0	NP	0.95492
22	Account No. 190		0	NP	0.95492
23	Account No. 255 (enter negative)		0	NP	0.95492
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
	<b>WORKING CAPITAL (Note D)</b>				
26	CWC	calculated	14,686,357		0
		Bal Sheet - Other Assets			
27	Materials & Supplies (Note C)	- SGL 151191	0	TE	0.00000
28	Prepayments	Bal Sheet Other Assets	0	GP	0.95468
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		14,686,357		0
30	RATE BASE (sum lines 18, 24, 25, and 29)		564,019,894		524,570,188

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2010

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)
<b>O&amp;M</b>					
1	Transmission (Note E)	Schedule 11			
1a	Western UGP		54,619,774	PTP/UGP	0.95461
1b	Western RMR		37,464,083	PTP/RMR	0.00925
2	Less Account 565 (Note E)			NA	1.00000
3	A&G (Note F)	Schedule 11			
3a	Western UGP		16,482,532	PTP/UGP	0.95461
3b	Western RMR		8,924,463	PTP/RMR	0.00925
4	Less FERC Annual Fees		0	W/S	1.00000
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note G)		0	W/S	1.00000
5a	Plus Transmission Related Reg. Comm. Exp (Note G)		0	TE	0.00000
6	Common		0	CE	0.00000
7	Transmission Lease Payments		0	NA	1.00000
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 2, 4, 5)		<u>117,490,852</u>		
<b>DEPRECIATION EXPENSE</b>					
9	Transmission (Note E)	Schedule 4			
9a	Western UGP		24,155,989	PTP/UGP	0.95461
9b	Western RMR		14,220,442	PTP/RMR	0.00925
10	General		0	W/S	1.00000
11	Common		0	CE	0.00000
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>38,376,431</u>		
<b>TAXES OTHER THAN INCOME TAXES (Note H)</b>					
<b>LABOR RELATED</b>					
13	Payroll		0	W/S	1.00000
14	Highway and vehicle		0	W/S	1.00000
<b>PLANT RELATED</b>					
16	Property		0	GP	0.95488
17	Gross Receipts		0		zero
18	Other		0	GP	0.95488
19	Payments in lieu of taxes		0	GP	0.95488
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>0</u>		
<b>INCOME TAXES (Note I)</b>					
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	
26	ITC adjustment (line 23 * line 24)		0	NP	0.95492
27	Total Income Taxes (line 25 plus line 26)		<u>0</u>		
28	RETURN [ Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		29,216,231	NA	
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)		<u>185,063,514</u>		<u>118,667,890</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

SUPPORTING CALCULATIONS AND NOTES

Line No.

TRANSMISSION PLANT INCLUDED IN IS RATES

1	Total transmission plant (page 2, line 2, column 3)		1,004,765,477
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)		<u>1,004,765,477</u>
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)		<u>0</u>
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	18,007,067	1.00	18,007,067
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	Total (sum lines 12-15)	18,007,067		<u>18,007,067</u> = <u>1.00000</u>

PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)

	\$		
17	Transmission Plant in Service UGP	998,441,964	
18	Total Plant in Service UGP	1,045,919,863	
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP = 0.95461
20	Transmission Plant in Service RMR	6,323,513	
21	Total Plant in Service RMR	683,875,642	
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 22)		PTP/RMR = 0.00925

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		

RETURN (R)

27	Long Term Interest Schedule 5	\$	333,187,962
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	\$	%	Cost (Note O)	Weighted
HFD Sch's 21RX & 21X Col 8 Lines				
28	Long Term Debt	23,25,26,29,30	640,821,589	100%
29	Proprietary Capital		0	0%
30	Total (sum lines 22-23)		<u>640,821,589</u>	100%
31			Proprietary Capital Cost Rate =	12.38%
32			TIER =	1.00

REVENUE CREDITS

		Load
ACCOUNT 447 (SALES FOR RESALE)		
33	a. Bundled Non-RQ Sales for Resale (Note P)	0
34	b. Bundled Sales for Resale included in Divisor on page 1	0
35	Total of (a)-(b)	<u>0</u>
36	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note Q)	79,082
ACCOUNT 456 (OTHER ELECTRIC REVENUES)		
37	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)	<u>\$0</u>

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

For 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR &amp; 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  
2010 Estimated  
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

Western Area Power Administration - UGPR & RMR

Line No.					Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)				\$ 113,951,904
	REVENUE CREDITS (Note R)	Total		Allocator	
2	Short-Term Firm Point-to-Point Transmission Service Credit	8,523		NA 1.00000	8,523
3	Non-Firm Point-to-Point Transmission Service Credit	145,017		NA 1.00000	145,017
4	Revenue from Existing Transmission Agreements	3,337,273		NA 1.00000	3,337,273
5	Scheduling, System Control, and Dispatch Service Credit	523,417		NA 1.00000	523,417
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>4,093,312</u>
9	NET REVENUE REQUIREMENT (line 1 minus line 8)				<u>\$ 109,858,592</u>

## Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

## Western Area Power Administration - UGPR &amp; RMR

Line No.	(1) RATE BASE:	(2) ROOs Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	<b>GROSS PLANT IN SERVICE (Note A)</b>				
1	Production	Schedule 1A Total	19,570,800	NA	
2	Transmission	Schedule 1A Total	970,893,029	TP	1.00000
3	Distribution	Schedule 1A Total	30,395,401	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)		1,020,859,230	GP=	95.105%
	<b>ACCUMULATED DEPRECIATION</b>				
7	Production	Schedule 4	9,707,844	NA	
8	Transmission	Schedule 4	481,014,194	TP	1.00000
9	Distribution	Schedule 4	15,077,247	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)		505,799,285		
	<b>NET PLANT IN SERVICE</b>				
13	Production	(line 1 - line 7)	9,862,956		
14	Transmission	(line 2 - line 8)	489,878,835		
15	Distribution	(line 3 - line 9)	15,318,154		
16	General & Intangible	(line 4 - line 10)	0		
17	Common	(line 5 - line 11)	0		
18	TOTAL NET PLANT (sum lines 13-17)		515,059,945	NP=	95.111%
	<b>ADJUSTMENTS TO RATE BASE (Note B)</b>				
19	Account No. 281 (enter negative)		0		zero
20	Account No. 282 (enter negative)		0	NP	0.95111
21	Account No. 283 (enter negative)		0	NP	0.95111
22	Account No. 190		0	NP	0.95111
23	Account No. 255 (enter negative)		0	NP	0.95111
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		
25	LAND HELD FOR FUTURE USE (Note C)		0	TP	1.00000
	<b>WORKING CAPITAL (Note D)</b>				
26	CWC	calculated	13,212,510		
		Bal Sheet - Other Assets			
27	Materials & Supplies (Note C)	- SGL 151191	0	TE	0.00000
28	Prepayments	Bal Sheet Other Assets	0	GP	0.95105
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		13,212,510		
30	RATE BASE (sum lines 18, 24, 25, and 29)		528,272,455		489,878,835

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

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)	
<b>O&amp;M</b>					
1	Transmission (Note E)	Schedule 11			
1a	Western UGP	48,746,696	PTP/UGP 0.95105	46,360,545	
1b	Western RMR	31,175,887	PTP/RMR 0.01027	320,176	
2	Less Account 565 (Note E)		NA 1.00000	0	
3	A&G (Note F)	Schedule 11			
3a	Western UGP	17,049,060	PTP/UGP 0.95105	16,214,509	
3b	Western RMR	8,728,433	PTP/RMR 0.01027	89,641	
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)	<u>105,700,076</u>		<u>62,984,871</u>	
<b>DEPRECIATION EXPENSE</b>					
9	Transmission (Note E)	Schedule 4			
9a	Western UGP	25,364,076	PTP/UGP 0.95105	24,122,506	
9b	Western RMR	14,228,852	PTP/RMR 0.01027	146,130	
10	General	0	W/S 1.00000	0	
11	Common	0	CE 0.00000	0	
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	<u>39,592,930</u>		<u>24,268,636</u>	
<b>TAXES OTHER THAN INCOME TAXES (Note H)</b>					
<b>LABOR RELATED</b>					
13	Payroll	0	W/S 1.00000	0	
14	Highway and vehicle	0	W/S 1.00000	0	
<b>PLANT RELATED</b>					
16	Property	0	GP 0.95105	0	
17	Gross Receipts	0	zero	0	
18	Other	0	GP 0.95105	0	
19	Payments in lieu of taxes	0	GP 0.95105	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)	<u>0</u>		<u>0</u>	
<b>INCOME TAXES (Note I)</b>					
21	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	0.00%	NA		
22	$CIT = (T / (1 - T)) * (1 - (WCLTD / R))$ where WCLTD = (page 4, line 27) and R = (page 4, line 30) and FIT, SIT & p are as given in footnote I. $1 / (1 - T) =$ (from line 21)	0.00%			
23	Amortized Investment Tax Credit (enter negative)	0.0000			
24		0			
25	Income Tax Calculation = line 22 * line 28	0	NA	0	
26	ITC adjustment (line 23 * line 24)	0	NP 0.95111	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 30)]	28,790,849	NA	26,698,397	
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)	<u>174,063,855</u>		<u>113,951,904</u>	

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Utilizing Financial Statement Results of Operations

Est for 12 Months Ending 9/30/2010

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)		970,893,029
2	Less transmission plant excluded from IS rates (Note K)		
3	Less transmission plant included in OATT Ancillary Services (Note L)		0
4	<u>Transmission plant included in IS rates (line 1 less lines 2 &amp; 3)</u>		<u>970,893,029</u>
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	<u>Included transmission expenses (line 6 less line 7)</u>		<u>0</u>
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	18,904,344	1.00	18,904,344
14	Distribution	0	0.00	0
15	Other	0	0.00	0
16	<u>Total (sum lines 12-15)</u>	<u>18,904,344</u>		<u>18,904,344</u> = <u>1.00000</u>

PERCENTAGE OF TOTAL PLANT ALLOCATOR PTP (Note M)

	\$		
17	Transmission Plant in Service UGP	970,893,029	
18	<u>Total Plant in Service UGP</u>	<u>1,020,859,230</u>	
19	UGP Percentage of Transmission Plant to Total Plant (line 17 divided by line 18)		PTP/UGP = 0.95105
20	Transmission Plant in Service RMR	6,296,120	
21	<u>Total Plant in Service RMR</u>	<u>612,929,825</u>	
22	RMR Percentage of Transmission Plant to Total Plant (line 20 divided by line 21)		PTP/RMR = 0.01027

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	<u>Total (sum lines 17-19)</u>	<u>0</u>			<u>0.00000</u>

RETURN (R)

27	Long Term Interest Schedule 5	\$	333,461,987
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	\$	%	Cost (Note O)	Weighted
HFD Sch's 21RX & 21X Col 8 Lines				
28	Long Term Debt	23,25,26,29,30	613,591,483	100%
29	Proprietary Capital		0	0%
30	<u>Total (sum lines 22-23)</u>		<u>613,591,483</u>	<u>100%</u>
31			Proprietary Capital Cost Rate =	12.38%
32			TIER =	1.00

REVENUE CREDITS

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



***Basin Electric's  
2010 Actual  
Revenue Requirement Template***

Line No. 1 2 3 4 5 6 7	GROSS REVENUE REQUIREMENT (page 3, line 28) (MBPP West Excluded - 1-056997) REVENUE CREDITS Third Party Receipts Third Party Payments NET REVENUE REQUIREMENT TOTAL REVENUE REQUIREMENT WITH MBPP EAST	Total \$ (877,567) TP TP (line 2 + 4) (line 1 + 5)	Total \$ 76,994,928 \$ 45,060,599 \$ 97,532 \$ (780,035) 44,280,564 \$ 44,771,200	West (MBPP) Transmission \$ 7,434,264 \$ (6,943,569)	Other \$ 24,505,149
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Revenue Requirement Worksheet  
Average Plant RUS form 12 Data  
BASIN ELECTRIC POWER COOPERATIVE

For the twelve months ended 12/31/2010

Line #	(1)	(2)	(3)	(4)	(5)	(6a)	(6)	(7)	(8)
	Worksheets	Total	Allocater A	Allocater B	Yrns	IS	West (NBPP)	Transmission	Other
<b>GROSS PLANT IN SERVICE (Note A)</b>									
1	Production	Worksheet 1, L, C, c	NA	NA	0.000%	-	-	-	-
2	Transmission	Worksheet 1, L, 2, C, c	DA	DA	100.000%	636,403,460	362,202,765	91,475,634	182,725,061
3	Distribution		NA	NA	0.000%	-	-	-	-
4	Genere	Worksheet 1, L, C, c	DA	DA	100.000%	28,370,404	20,881,599	3,205,869	4,283,936
4a	Direct Assign - Transmission (Note B)		NA	NA	0.000%	-	-	-	-
4b	Other		NA	NA	0.000%	-	-	-	-
4c	Other		WS	YS	Gross Plant	7,720,770	4,394,200	1,109,771	2,216,789
5	Inseparable	Worksheet 1, L, 4, C, c	WS	DA	100.000%	68,982,585	32,102,767	2,617,629	34,262,189
6	TOTAL GROSS PLANT (sum lines 1,2,4,5)	Worksheet 1, L, 5, C, c	DA	GP1	100.000%	\$ 741,477,229	\$ 419,583,331	\$ 98,408,903	\$ 223,486,935
							58.914%	14.374%	28.712%
<b>ACCUMULATED DEPRECIATION</b>									
7	Production (Note A)	Worksheet 1, L, 6, C, c	NA	NA	0.000%	-	-	-	-
8	Transmission	Worksheet 1, L, 7, C, c	DA	DA	100.000%	265,680,951	183,814,830	52,462,058	30,404,003
9	Distribution		NA	NA	0.000%	-	-	-	-
10	General	Worksheet 1, L, 8, C, c	DA	DA	100.000%	16,480,505	12,463,626	2,855,137	1,661,742
10a	Direct Assign - Transmission		NA	NA	0.000%	-	-	-	-
10b	Other		WS	GP1	Gross Plant	43,909,225	3,167,008	799,839	1,597,702
10c	Other		DA	DA	100.000%	45,958,883	20,736,001	1,308,351	23,176,572
11	Inseparable	Worksheet 1, L, 9, C, c	DA	DA	100.000%	45,221,224	220,181,525	86,925,285	56,840,413
12	TOTAL ACCUM. DEPR (sum lines 7,8,10,11)	Worksheet 1, L, 10, C, c				\$ 313,347,228	\$ 589,255,285	\$ 166,646,575	\$ 166,646,575
<b>NET PLANT IN SERVICE</b>									
13	Production	(line 1, line 7)	AUTO	AUTO		965,209,646	176,367,875	39,013,576	152,321,058
14	Transmission	(line 2, line 8)	AUTO	AUTO		369,722,510	-	-	-
15	Distribution	(line 3, line 9)	AUTO	AUTO		-	-	-	-
16	General	(line 4, line 10)	AUTO	AUTO		39,406,913	8,417,973	850,732	2,621,194
16a	Direct Assign	(line 4a - line 10a)	AUTO	AUTO		11,889,899	-	-	-
16b	Production	(line 4b - line 10b)	AUTO	AUTO		8,729,526	-	-	-
16c	Other	(line 4c - line 10c)	AUTO	AUTO		17,789,488	1,227,192	309,932	819,097
17	Inseparable	(line 5, line 11)	AUTO	AUTO		28,893,963	11,366,766	1,309,378	11,065,227
18	TOTAL NET PLANT (sum lines 13, 14, 16, 17)					\$ 1,403,235,031	\$ 199,399,606	\$ 41,463,616	\$ 166,646,575
<b>WORKING CAPITAL</b>									
19	CYC (Note C)	one eighth of line 9, page 3	DA	DA	100.000%	9,525,050	2,712,131	384,505	831,742
20	Materials & Supplies Transmission	12a, Section G, L, 4, L, 5, C, d.	GP1	GP1	100.000%	5,978,287	3,402,489	859,311	1,716,497
21	Prepayments (Note C)	12a, B, 25	WS	GP1	12, 12.1%	-	-	-	-
22	TOTAL WORKING CAPITAL (sum lines 19-21)					\$ 15,503,347	\$ 6,114,620	\$ 1,243,816	\$ 2,548,239
23	Rate Base					\$ 1,418,738,378	\$ 205,514,428	\$ 42,727,434	\$ 169,194,815

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

For the twelve months ended 12/31/2010

Page 3

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
		Reference	Company Total	Allocator A	Total Transmission	Allocator B	IS Transmission	West (BPP) Transmission	
								Other	
1	O&M								
2	Transmission less Account 565	121, L.18, C. a, b Less L & C a	24,784,904	DA	13,624,733	DA	10,404,465	2,288,240	932,028
3	Direct Assignment (Note C)	Accounting Records	13,624,733	TPW	11,161,171		7,418,610	-	3,742,561
4	Other	Accounting Records	11,161,171						
5	A&G	12a, Section A, L 14 C b	51,414,492	NA	-	NA	-	-	-
6	Less Regulatory Fees (Note E)	Accounting Records	150,640						
7	Production	Accounting Records	2,570,094	NA	-	NA	-	-	-
8	Transmission (Note F)	Accounting Records	842,380	DA/TPW	842,380	DA/TPW	19,669	787,798	34,913
9	Headwaters (Note C)	Accounting Records	47,841,378	WS	5,798,740	GP2	3,854,308	-	1,944,432
	TOTAL O&M (sum lines 1 and 4)		\$ 76,200,336		\$ 31,427,924		\$ 21,897,052	\$ 3,076,938	\$ 6,654,934
10	DEPRECIATION & AMORTIZATION EXPENSE								
11	Depreciation and Amortization Expense	12a, Section A, L 22.C b							
12	Transmission	Accounting Records	11,147,383	DA	11,147,383	DA	5,053,667	1,176,558	4,917,158
13	Production	Accounting Records	33,289,355	NA		NA			
14	General Plant	Accounting Records	8,470,886	NA		NA			
15	Transmission	Accounting Records	1,719,123	DA	1,719,123	DA	1,206,607	180,850	331,666
16	Production	Accounting Records	3,246,761	NA		NA			
17	Other General Plant	Accounting Records	3,505,502	WS	424,894	GPI	241,824	61,074	121,966
18	Other Amortization	Accounting Records	2,246,315	DA	1,907,794	DA	911,748	65,397	930,649
	TOTAL (sum lines 10,15,17)		\$ 55,153,940		\$ 15,196,594		\$ 7,413,248	\$ 1,483,879	\$ 6,301,468
19	TAXES OTHER THAN INCOME TAXES								
20	Priority Total	12a, A, 23.C, b (45% income tax)	2,288,217	NA		NA			
21	Text Reconciliation	Accounting Records	2,288,217	DA	2,288,217	DA	2,125,282	-	162,935
22	Gross Receipts (Note H)	Accounting Records	2,288,217	NA		NA			
23	Production	Accounting Records	2,288,217						
24	TOTAL OTHER TAXES		\$ 2,288,217		\$ 2,288,217		\$ 2,125,282	\$ -	\$ 162,935
25	TOTAL OPERATING EXPENSES (sum 9+18+24)		\$ 133,642,553		\$ 48,913,835		\$ 31,235,580	\$ 4,559,817	\$ 13,118,338
26	RECUR		\$ 95,481,693	WCC	\$ 28,093,468	WCC	\$ 13,831,121	\$ 2,875,556	\$ 11,386,811
27	REV. REQUIREMENT (sum lines 25+26)		\$ 229,123,646		\$ 77,007,323		\$ 45,066,701	\$ 7,435,473	\$ 24,505,149

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
1	Production	Accounting Records	40,022,765			\$3,007,560	\$1,109,147	1,403,434
2	Transmission-East	Accounting Records	225,620					
3	Transmission-West	Accounting Records	405,538	WS	Trans % of total wages 12.121%	55,914%	14.374%	28.712%
4	Transmission-Allocated	Accounting Records	4,987,971	TPW	Trans % excluding MBPP West	66.468%	0.000%	33.532%
5	Distribution							
6	Other Transmission				(Note G)			
7	Total Wages and Salaries (sum lines 1-6) (exclude adm)		\$45,542,914					

Transmission Wage and Salary Dollar Split

8	IS Transmission Plant (p 2.e & L 2)	362,202,765
9	West (MBPP) Transmission Plant (p 2.c, 7, L 2)	\$1,475,634
10	Other Transmission Plant (p 2.c & L 2)	182,725,061
11	Total (sum lines 8 - 10)	\$536,403,460

Note	Weighted Cost of Capital	Percent	Rate	Weighted cost
12a, B L 4 & L 52	LTD	72.55%	5.17%	3.75%
12a, B L 39	Equity	27.45%	10.85%	2.98%
		100.00%		6.73%

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Note

- A Line 1, page 2 excludes \$1,922,004 and is included in line 2, page 2. Line 2 also includes \$2,825,408 transmission acquisition adjustment.
- B Accumulated Depreciation for 2/15/08, associated with the \$1,922,004 is excluded in line 7 and added to line 8
- C General Plant directly assigned to transmission includes the transmission maintenance buildings and microwave assigned to transmission. Cash working capital assigned to transmission is one eighth of O&M allocated to transmission on page 3, line 9, column 8-8.
- D Prepayments are the electric-related prepayments booked to Account No. 165 and reported on Section B, line 24, on the RUS 12 form. Includes Lease payments of \$4,140,538.94 for member facilities in the IS system and O&M that is charged to specific lines or substations.
- E Line 5 - Regulatory Commission expenses directly related to transmission service, ISO filings, or transmission sitings.
- F A&G costs directly allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages.
- G Includes O&M costs for West Side and Common Use System plus legal fees for transmission.
- H West ( MBPP) plant for \$81,475,634 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 are directly allocated to MBPP
- I SD Gross receipts taxes paid in lieu of property with a portion directly assigned to Common Use System (CUS)

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  
2010 Estimated  
Revenue Requirement Template***

Line No.		Total	IS	West (MBPP)	Other
		Transmission	Transmission	Transmission	Transmission
1	GROSS REVENUE REQUIREMENT (page 3, line 28) (MBPP West Excluded - 1-0355937)	\$ 84,082,625	\$ 44,328,373	\$ 8,572,116 (8,006,362)	\$ 31,182,136
REVENUE CREDITS					
2	Third Party Receipts		\$ (1,000,000)	\$ -	\$ -
3					
4	Third Party Payments		\$ 97,532	\$ -	\$ -
5	(line 2 + 4)		\$ (902,468)	\$ -	\$ -
6	NET REVENUE REQUIREMENT (line 1 + 5)		\$ 43,425,905	\$ 565,734	\$ 31,182,136
7	TOTAL REVENUE REQUIREMENT WITH MBPP EAST		\$ 43,931,639		

Total	Allocator
TP	1,000000
TP	1,000000

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

Projections for 2010

Page 2

(1)	(2) Worksheets	(3)	(4) Allocator A	(5) Total Trans	(6a) Allocator B	(6) IS Transmission	(7) West (RIBPP) Transmission	(8) Other Transmission
<b>GROSS PLANT IN SERVICE (Note A)</b>								
1	Production	2,446,635,528	NA	0.000%	NA	0.000%	-	-
2	Transmission	673,737,258	DA	100.000%	DA	100.000%	82,500,000	216,940,892
3	Distribution	-	NA	0.000%	NA	0.000%	-	-
4	General	131,564,267	NA	0.000%	NA	0.000%	-	-
4a	Direct Assign - Transmission (Note B)	48,584,890	DA	100.000%	DA	100.000%	4,181,570	15,572,132
4b	Direct Assign - Production	23,330,076	NA	0.000%	NA	0.000%	-	-
4c	Other	59,639,281	WS	11.263%	GP1	Gross Plant	922,158	2,161,747
5	Intangible	71,653,380	DA	100.000%	DA	100.000%	34,350,020	208,336,751
6	TOTAL GROSS PLANT (sum lines 1,2,4,5)	\$ 3,323,460,413			GP1		\$ 100,221,357	\$ 208,336,751
							13.728%	32.182%
<b>ACCUMULATED DEPRECIATION</b>								
7	Production	1,085,942,527	NA	0.000%	NA	0.000%	-	-
8	Transmission	275,397,227	DA	100.000%	DA	100.000%	52,424,325	34,374,725
9	Distribution	-	NA	0.000%	NA	0.000%	-	-
10	General	101,075,546	NA	0.000%	NA	0.000%	-	-
10a	Direct Assign - Transmission	23,750,346	DA	100.000%	DA	100.000%	3,198,998	3,449,847
10b	Direct Assign - Production	20,408,859	NA	0.000%	NA	0.000%	-	-
10c	Other	51,905,941	WS	11.263%	GP1	Gross Plant	802,583	1,881,436
11	Intangible	45,750,724	DA	100.000%	DA	100.000%	1,894,209	16,118,277
12	TOTAL ACCUMUL. DEPR. (sum lines 7,8,10,11)	\$ 1,509,166,124					\$ 58,280,115	\$ 57,824,285
<b>NET PLANT IN SERVICE</b>								
13	Production	1,360,693,001	AUTO		AUTO		-	-
14	Transmission	398,390,031	AUTO		AUTO		40,075,675	182,456,127
15	Distribution	-	AUTO		AUTO		-	-
16	General	30,276,801	AUTO		AUTO		-	-
16a	Direct Assign	19,824,044	AUTO		AUTO		982,572	12,122,265
16b	Production	2,721,217	AUTO		AUTO		-	-
16c	Other	7,733,340	AUTO		AUTO		119,575	290,311
17	Intangible	25,832,656	AUTO		AUTO		765,420	16,243,743
18	TOTAL NET PLANT (sum lines 13, 14, 16, 17)	\$ 1,815,294,289					\$ 41,941,242	\$ 211,112,665
<b>WORKING CAPITAL</b>								
19	CWC (Note C)	9,614,077	DA	100.000%	DA	100.000%	423,311	1,046,395
20	Materials & Supplies Transmission	5,640,975	GP	100.000%	GP	Gross Plant	774,826	1,816,396
21	Prepayments (Note C)	-	GP		GP		-	-
22	TOTAL WORKING CAPITAL (sum lines 19-21)	\$ 15,455,052					\$ 1,198,137	\$ 2,862,791
23	Rate Base (sum lines 18 and 22)	\$ 1,830,752,341					\$ 43,139,379	\$ 213,975,227

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

Projections for 2010

Page 3

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	OSM	Reference	Company Total	Allocator A	Total Transmission	Allocator B	West (RPPF) Transmission	Other Transmission
1	Transmission less Account \$\$\$		21,004,511		11,105,760	DA	8,283,554	891,891
2	Direct Assignment (Note D)	Expense Worksheet #3, L 7&16 C,1	11,105,760	100.000%	9,898,751	TPW	4,984,917	4,933,834
3	Other	Accounting Records	9,898,751	100.000%	-		-	-
4	P&G	Expense Worksheet, L 11, C, b	57,598,108	0.000%	98,333	NA	-	98,333
5	Loss Regulatory Fees (Note E)	Accounting Records	533,333	0.000%	98,333	DA	-	-
5a	Regulatory fees	Accounting Records	98,333	0.000%	1,377,610	NA	-	-
6	Production	Accounting Records	2,114,776	0.000%	6,012,646	DA,TPW	234,391	512,087
7	Transmission (Note F)	Accounting Records	1,377,610	0.000%	28,433,100	GP1	3,252,185	1,935,013
8	Headquarters		53,354,054	11.263%	-		3,356,465	8,371,156
9	TOTAL O&M (sum lines 2, 3, 5, 6, 7, 8)		76,512,619					
10	DEPRECIATION & AMORTIZATION EXPENSE		52,358,387					
11	Depreciation and Amortization Expense	Accounting Records	57,855,857	100.000%	15,497,470	DA	8,416,789	6,995,460
12	Transmission	Accounting Records	15,497,470	0.000%	-	NA	-	-
13	Production	Accounting Records	52,358,387	0.000%	1,936,318	NA	1,233,193	512,519
14	General Plant	Accounting Records	7,194,646	100.000%	-	DA	190,606	-
15	Transmission	Accounting Records	1,936,318	0.000%	473,724	GP1	256,234	157,456
16	Production	Accounting Records	1,652,309	0.000%	1,837,364	DA	841,397	500,570
17	Other General Plant	Accounting Records	4,206,019	11.263%	-		65,397	-
18	Other Amortization	Expense Worksheet #3, L 20, C, b	1,837,873	100.000%	-		2,006,298	6,991,005
18	TOTAL (sum lines 10,13,17)		76,512,619					
19	TAXES OTHER THAN INCOME TAXES							
20	PLANT RELATED							
21	Property tax	2008 RUS Form 12 less inc tx	2,303,268	0.000%	2,303,268	NA	2,253,268	50,000
22	Tax Reclassification	Accounting Records	-	0.000%	-		-	-
23	Gross Receipts (Note G)	2008 RUS Form 12	2,303,268	100.000%	-		-	-
24	Production	Accounting Records	-	0.000%	-		-	-
24	TOTAL OTHER TAXES		1,483,303					
25	TOTAL OPERATING EXPENSES (sum 9+18+24)		155,820,098		59,541,264		29,736,358	15,412,152
26	Return		154,826,448	Rate Base	33,541,361	WCC	14,592,015	15,769,974
27	REV. REQUIREMENT (sum lines 25+26)		291,906,546		84,082,625		44,328,373	31,182,136

A & G Allocation

Line #	(1) From Accounting Report	(2)	(3)	(4) Allocator	(5) Percent	(6) IS Transmission	(7) West (MBPP) Transmission	(8) Other Transmission
1	Production	Accounting Records	TOTAL	38,025,624				
2	Transmission-East	Accounting Records		211,446				
3	Transmission-West	Accounting Records		433,400	11.263%			
4	Transmission-Allocated	Accounting Records		4,308,297				
5	Distribution							
6	Other Transmission							
7	Total Wages and Salaries (sum lines 1-6) (exclude adm)			\$43,978,757		\$2,266,978	\$433,400	\$2,252,765
						54.085%	13.728%	32.182%
						50.157%	0.000%	49.843%
						45.768%	8.750%	45.482%

Transmission Wage and Salary Dollar Split		Note 1		Weighted Cost of Capital	
IS	West (MBPP)	Balance Sheet Weigh	LTD	Rate	Weighted cost
192,376,224	41,821,667	3,156,298,068	72.86%	6.08%	4.43%
210,832,155	\$445,030,046	1,175,630,734	27.14%	10.85%	2.94%
		4,331,728,822	100.00%		7.37%

- 8 IS Transmission Plant (2 c 5, 14, 16a, 17)
  - 9 West (MBPP) Transmission Plant (2 c 7, 11, 14, 16a, 17)
  - 10 Other Transmission Plant (2 c 8, 14, 16b, 17)
  - 11 Total (sum lines 8-10)
  - 12 Percent of IS to Total Transmission (Note H)
  - 13 Percent of Other to Total Transmission (Line 20/Line 11-9)
  - 14 IS Trans Wage & Salary Dollar (L 4 times L 11)
  - 15 West Trans Wage & Salary Dollar (no allocation)
  - 16 Other Transmission Wage & Salary (L 4 times L 12)
  - 17 Total Transmission Wage and Salary Allocated (L 4)
- Note A RUS form 12h plus new investment averaged over 43 months.
- Note B General Plant directly assigned to transmission includes the transmission maintenance buildings and microwave assigned to transmission.
- Note C 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. 765 and reported on Section B, line 24, in the RUS 12.
- Note D Includes Lease payments of \$4,319,842 for member facilities in the IS system and O&M that is charged to specific lines or substations
- Note E Line 5 - Regulatory Commission expenses directly related to transmission service, ISO filings, or transmission sitings.
- Note F A&G costs directly allocated to MBPP - Costs split between MBPP Production and MBPP Transmission based on MBPP Wages. Includes O&S costs for West Side and Common Use System plus A&G costs allocated to MBPP Transmission.
- Note G SO Gross receipts taxes paid in lieu of property with a portion directly assigned to Common Use System (CUS). Payroll taxes are included in the RUS 560 series of accounts along with the labor costs. ND Trans Line tax is included in O&M, line 2.
- Note H West (MBPP) net plant (\$41,821,668) is excluded in the percentage calculations on line 12 and 13 as costs for transmission and A&G are directly allocated to MBPP.
- Note I Equity percent as a percent of total long term debt plus current portion of long term debt plus equity.

***Heartland's  
2010 Actual  
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Annual Transmission Revenue Requirement  
Heartland Consumers Power District

For the 12 months ending 12/31/2010

<u>Line No.</u>			<u>Total</u>	<u>Allocator</u>	<u>Allocated Amount</u>
1	GROSS REVENUE REQUIREMENT	(page 3, line 29)			\$ 1,053,849
2	REVENUE CREDITS	(Note P)			
2	Account No. 454	(page 4, line 30)	24,738	TP 0.52108	\$12,890
3	Account No. 456.1	(page 4, line 33)	0	TP 0.52108	0
4	Revenue From Existing Transmission Agreements		23,767	NA 1.00000	23,767
5	Transmission Service Credits		0	NA 1.00000	0
6	TOTAL REVENUE CREDITS				<u>36,657</u>
	NET REVENUE REQUIREMENT	(line 1 minus line 6)			<u>\$ 1,017,192</u>

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)	
	RATE BASE:	Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
<b>GROSS PLANT IN SERVICE</b>						
1	Production	Schedule A	41,797,899	NA		
2	Transmission	Schedule A	14,570,251	TP	0.52108	7,592,266
3	Distribution		0	NA		
4	General & Intangible	Schedule A	6,425,652	WS	0.06760	434,374
5	Common		0	CE	0.06760	0
6	TOTAL GROSS PLANT (sum lines 1-5)		62,793,802	GP=	12.783%	8,026,640
<b>ACCUMULATED DEPRECIATION</b>						
7	Production	Schedule A	31,135,354	NA		
8	Transmission	Schedule A	10,524,627	TP	0.52108	5,484,173
9	Distribution		0	NA		
10	General & Intangible	Schedule A	2,467,546	WS	0.06760	166,806
11	Common		0	CE	0.06760	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		44,127,527			5,650,979
<b>NET PLANT IN SERVICE</b>						
13	Production	(line 1 - line 7)	10,662,545			
14	Transmission	(line 2 - line 8)	4,045,624			2,108,093
15	Distribution	(line 3 - line 9)	0			
16	General & Intangible	(line 4 - line 10)	3,958,106			267,568
17	Common	(line 5 - line 11)	0			0
18	TOTAL NET PLANT (sum lines 13-17)		18,666,275	NP=	12.727%	2,375,661
<b>ADJUSTMENTS TO RATE BASE (Note A)</b>						
19	Account No. 281 (enter negative)		0		zero	0
20	Account No. 282 (enter negative)		0	NP	0.12727	0
21	Account No. 283 (enter negative)		0	NP	0.12727	0
22	Account No. 190		0	NP	0.12727	0
23	Account No. 255 (enter negative)		0	NP	0.12727	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0			0
25	LAND HELD FOR FUTURE USE (Note B)		0	TP	0.52108	0
<b>WORKING CAPITAL (Note C)</b>						
26	CWC		447,357			50,186
27	Materials & Supplies (Note B)		0	TE	1.00000	0
28	Prepayments		333,617	GP	0.12783	42,646
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		780,974			92,832
30	RATE BASE (sum lines 18, 24, 25, and 29)		19,447,249			2,468,493

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Annual Transmission Revenue Requirement

For the 12 months ending 12/31/2010

Hearland Consumers Power District

Line No.	(1)	(2) Reference	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
<b>O&amp;M</b>					
1	Transmission	Schedule A	229,046	TE 1.00000	229,046
1a	Less LSE Expenses included in Transmission O&M Accounts (Note D)		0	1.00000	0
2	Less Account 565	Schedule A	57,925	NA 1.00000	57,925
3	A&G (Note G)	Schedule A	3,407,737	W/S 0.06760	230,363
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>3,578,857</u>		<u>401,484</u>
<b>DEPRECIATION EXPENSE</b>					
9	Transmission	Schedule A	848,400	TP 0.52108	442,084
10	General	Schedule A	171,552	W/S 0.06760	11,597
11	Common		0	CE 0.06760	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)		<u>1,019,952</u>		<u>453,681</u>
<b>TAXES OTHER THAN INCOME TAXES (Note F)</b>					
<b>LABOR RELATED</b>					
13	Payroll	Schedule A	85,904	W/S 0.06760	5,807
14	Highway and vehicle		0	W/S 0.06760	0
<b>PLANT RELATED</b>					
15	Property	Schedule A	160,964	GP 0.12783	20,576
17	Gross Receipts		0	NA zero	0
18	Other		0	GP 0.12783	0
19	Payments in lieu of taxes		0	GP 0.12783	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>246,868</u>		<u>26,383</u>
<b>INCOME TAXES (Note G)</b>					
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, line 30) 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 0.12727	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)]		1,357,418	NA	172,301
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		<u>6,203,095</u>		<u>1,053,849</u>

Revenue Requirement Template  
Annual Transmission Revenue Requirement  
Heartland Consumers Power District

For the 12 months ending 12/31/2010

Line No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES										
1	Total transmission plant (page 2, line 2, column 3)									14,570,251
2	Less transmission plant excluded from IS rates (Note H)									6,752,305
3	Less transmission plant included in OATT Ancillary Services (Note I)									225,678
4	Transmission plant included in IS rates (line 1 less lines 2 & 3)									7,592,268
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)									229,046
7	Less transmission expenses included in OATT Ancillary Services (Note J)									0
8	Included transmission expenses (line 7 less line 6)									229,046
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	1,038,795	0.00	0						
13	Transmission	155,222	0.52	80,715						
14	Distribution	0	0.00	0						
15	Other	0	0.00	0						
16	Total (sum lines 12-15)	1,194,017		80,715	=				W&S Allocator (\$/Allocation)	0.06760 = W/S
COMMON PLANT ALLOCATOR (CE) (Note L)										
		\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)						CE
17	Electric	62,793,802		1.00000	*					0.06760 =
18	Gas	0								0.05760
19	Water	0								=
20	Total (sum lines 17-19)	62,793,802								0.05760
RETURN (R)										
21	Long Term Interest	Schedule A	\$2,029,487							
Long Term Debt										
		\$	%	Cost (Note M)					Weighted	
22	Long Term Debt	Schedule A	35,034,317	82%	6.79%				0.0475 =WCLTD	
23	Proprietary Capital	Schedule A	7,869,693	18%	12.38%				0.0223	
24	Total (sum lines 22, 23)		42,904,010	100%					0.0698 =R	
25										Proprietary Capital Cost Rate = 12.38%
26										TIER = 1.21
REVENUE CREDITS										
ACCOUNT 447 (SALES FOR RESALE)										
										Load
27	a. Bundled Non-RQ Sales for Resale									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)									\$24,738
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)									\$0



***Heartland's  
2010 Estimated  
Revenue Requirement Template***

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Annual Transmission Revenue Requirement

Est For the 12 months ending 12/31/2010

Heartland Consumers Power District

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 3, line 29)			\$ 1,072,929
	REVENUE CREDITS	(Note P)			
2	Account No. 454	(page 4, line 30)	24,588	TP 0.52394	\$12,883
3	Account No. 456.1	(page 4, line 33)	0	TP 0.52394	0
4	Revenue From Existing Transmission Agreements		9,920	NA 1.00000	9,920
5	Transmission Service Credits		0	NA 1.00000	0
6	TOTAL REVENUE CREDITS				<u>22,803</u>
	NET REVENUE REQUIREMENT	(line 1 minus line 6)			<u>\$ 1,050,126</u>

Revenue Requirement Template  
Annual Transmission Revenue Requirement  
Heartland Consumers Power District

Est For the 12 months ending 12/31/2010

Line No.	(1)	(2)	(3)	(4)	(5)
		Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)
<b>RATE BASE:</b>					
<b>GROSS PLANT IN SERVICE</b>					
1	Production	Schedule A	41,648,775	NA	
2	Transmission	Schedule A	14,657,677	TP	7,679,743
3	Distribution		0	NA	
4	General & Intangible	Schedule A	7,081,295	WWS	478,696
5	Common		0	CE	0
6	TOTAL GROSS PLANT (sum lines 1-5)		63,388,747	GP= 12.870%	8,158,439
<b>ACCUMULATED DEPRECIATION</b>					
7	Production		30,600,947	NA	
8	Transmission		11,087,299	TP	5,809,079
9	Distribution		0	NA	
10	General & Intangible		3,168,544	WWS	214,194
11	Common		0	CE	0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		44,856,790		6,023,273
<b>NET PLANT IN SERVICE</b>					
13	Production	(line 1 - line 7)	11,048,828		
14	Transmission	(line 2 - line 8)	3,570,378		1,870,664
15	Distribution	(line 3 - line 9)	0		
16	General & Intangible	(line 4 - line 10)	3,912,751		264,502
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		16,531,957	NP= 11.522%	2,135,166
<b>ADJUSTMENTS TO RATE BASE (Note A)</b>					
19	Account No. 281 (enter negative)		0	zero	0
20	Account No. 282 (enter negative)		0	NP	0.11522
21	Account No. 283 (enter negative)		0	NP	0.11522
22	Account No. 190		0	NP	0.11522
23	Account No. 255 (enter negative)		0	NP	0.11522
24	TOTAL ADJUSTMENTS (sum lines 19 - 23)		0		0
25	LAND HELD FOR FUTURE USE (Note B)		0	TP	0.52394
<b>WORKING CAPITAL (Note C)</b>					
26	CWC		391,657		53,045
27	Materials & Supplies (Note B)		0	TE	0
28	Prepayments		114,025	GP	14,675
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		505,682		67,720
30	RATE BASE (sum lines 18, 24, 25, and 29)		19,037,639		2,202,886

Revenue Requirement Template  
Annual Transmission Revenue Requirement

Est 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)	
<b>O&amp;M</b>					
1	Transmission Schedule A	331,172	TE	1.00000	331,172
1a	Less LSE Expenses included in Transmission O&M Accounts (Note D)	0		1.00000	0
2	Less Account 565	103,209	NA	1.00000	103,209
3	A&G (Note G) Schedule A	2,905,295	WWS	0.06760	196,398
4	Less FERC Annual Fees	0	WWS	0.06760	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad(Note E)	0	WWS	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)	3,133,259			424,361
<b>DEPRECIATION EXPENSE</b>					
9	Transmission	883,749	YP	0.52394	463,031
10	General	282	WWS	0.06760	18
11	Common	0	CE	0.06760	0
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	884,011			463,049
<b>TAXES OTHER THAN INCOME TAXES (Note F)</b>					
<b>LABOR RELATED</b>					
13	Payroll	69,029	WWS	0.06760	4,666
14	Highway and vehicle	0	WWS	0.06760	0
<b>PLANT RELATED</b>					
16	Property	160,866	GP	0.12870	20,703
17	Gross Receipts	0	NA	zero	0
18	Other	0	GP	0.12870	0
19	Payments in lieu of taxes	0	GP	0.12870	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	229,895			25,369
<b>INCOME TAXES (Note G)</b>					
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. $1 / (1 - T) =$ (from line 21)	0.00%			
23	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	0.11522	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 24)}	1,384,036	NA		160,150
29	REV. REQUIREMENT (sum lines 8, 12,20,27,28)	5,631,201			1,072,929

Revenue Requirement Template  
Annual Transmission Revenue Requirement  
Heartland Consumers Power District

Est For the 12 months ending 12/31/2010

Line No.

SUPPORTING CALCULATIONS AND NOTES

TRANSMISSION PLANT INCLUDED IN IS RATES									
1	Total transmission plant (page 2, line 2, column 3)				14,657,677				
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)				7,679,796				
5	Percentage of transmission plant included in IS Rates (line 4 divided by line 1)			TP=	0.52394				
TRANSMISSION EXPENSES									
6	Total transmission expenses (page 3, line 1, column 3)				331,172				
7	Less transmission expenses included in OATT Ancillary Services (Note J)				0				
8	Included transmission expenses (line 7 less line 6)				331,172				
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	0.52394				
11	Percentage of transmission expenses included in IS Rates (Note K)			TE=	1.00000				
WAGES & SALARY ALLOCATOR (W&S)									
		\$	TP	Allocation					
12	Production	813,014	0.00	0					
13	Transmission	121,485	0.52	63,172					
14	Distribution	0	0.00	0					
15	Other	0	0.00	0					
16	Total (sum lines 12-15)	934,499		63,172	= W&S Allocator (\$ / Allocation) = W/S				
					0.06760 = W/S				
COMMON PLANT ALLOCATOR (CE) (Note L)									
		\$	% Electric (line 17 / line 20)	Labor Ratio (line 16)	CE				
17	Electric	63,368,747							
18	Gas	0	1.00000	0.06760	= 0.06760				
19	Water	0							
20	Total (sum lines 17-19)	63,368,747							
RETURN (R)									
21	Long Term Interest	Schedule A	\$1,997,380						
		\$	%	Cost (Note M)	Weighted				
22	Long Term Debt	Schedule A	32,061,995	83%	6.23%				
23	Proprietary Capital	Schedule A	6,467,893	17%	12.38%				
24	Total (sum lines 22, 23)		38,529,888	100%	0.0727 =R				
25				Proprietary Capital Cost Rate =	12.38%				
26				TIER =	1.17				
REVENUE CREDITS									
ACCOUNT 447 (SALES FOR RESALE)									
27	a. Bundled Non-RQ Sales for Resale				Load				
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)				\$24,588				
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)				\$0				

Revenue Requirement - Non-Levelized

Revenue Requirement Template  
Annual Transmission Revenue Requirement

Est For the 12 months ending 12/31/2010

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, 201, 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 561.8A.
- 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  
2010 Actual  
Revenue Requirement Template***

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/10

Missouri River Energy Services

Line No.				Allocated Amount	
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)		\$ 11,408,835	
	REVENUE CREDITS	(Note Q)	Total		
2	Account No. 454	(page 3, line 34)	135,812	135,812	
3	Account No. 456.1	(page 3, line 37)	57,906	57,906	
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)			193,718	
7	NET REVENUE REQUIREMENT	(line 1 minus line 6)		\$ 11,215,117	
<b>Allocation of Net Revenue Requirements by Pricing Zones:</b>					
		Irv Simmons	OTP	MBPP	Total
	Transmission Plant Investment	\$ 1,957,786	\$ 27,757,868	\$ 29,373,772	\$ 59,089,426
	% of Total Transmission Plant	3.3%	47.0%	49.7%	100.0%
	Net Transmission Revenue Requirement (Allocated on Transmission Plant)	\$ 370,099	\$ 5,271,105	\$ 5,573,913	\$ 11,215,117
<b>DIVISOR</b>					
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	632,882
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)				675,337
16	Annual Cost (\$/kWhYr)	(line 7 / line 15)	\$ 16.825		
17	Network & P-to-P Rate (\$/kWhMo)	(line 11 / 12)	\$ 1.402		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kWhk)	(line 16 / 52; line 16 / 52)	0.324		\$0.324
19	Point-To-Point Rate (\$/kWhDay)	(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 12/31/10		
Line No.	(1)	(2) EIA 412 Reference	(3) Missouri River Energy Services Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	
<b>O&amp;M</b>						
1	Transmission (Note X)		21,206,260	TE	0.9855	20,898,769
1a	Less LSE Expenses included in Transmission O&M Accounts (f)		0		1.0000	0
2	Less Account 565		17,690,335		0.9855	17,433,825
3	A&G	VII.13.d	7,838,939	W/S	0.1526	1,196,222
4	Less FERC Annual Fees		0	W/S	0.1526	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)		456,672	W/S	0.1526	69,688
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)		288,946	TE	0.9855	284,756
6	Common		0	CE	0.1526	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)		<u>11,187,138</u>			<u>4,876,234</u>
<b>DEBT SERVICE</b>						
9a	Debt Service - Transmission Bond Resolution (Note T)		2,122,135		1.0000	2,122,135
9b	Debt Service- Excluding Transmission Bond Resolution (Note U)		24,836,214	GP 2	0.1144	2,841,263
10	Amortization of premium or discount (Note V)		0	GP	0.1721	0
11	TOTAL DEBT SERVICE (Sum lines 9 - 10)		<u>26,958,349</u>			<u>4,983,398</u>
<b>TAXES OTHER THAN INCOME TAXES (Note G)</b>						
<b>LABOR RELATED</b>						
13	Payroll		0	W/S	0.1526	0
14	Highway and vehicle		0	W/S	0.1526	0
15	<b>PLANT RELATED</b>					
16a	Property- Transmission Only (Note G)		399,060		1.0000	399,060
16b	Property- General Plant		59,619	GP	0.1721	10,260
17	Gross Receipts		0		0.0000	0
18	Other		0	GP	0.1721	0
19	Payments in lieu of taxes		0	GP	0.1721	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>458,679</u>			<u>409,320</u>
21	SUBTOTAL (sum lines 8, 11, 20)		<u>38,604,166</u>			<u>10,248,952</u>
22	MARGIN REQUIREMENT (Note H)		6,739,687	GP	0.1721	1,159,883
23	REV. REQUIREMENT (sum lines 21 22)		<u>45,343,753</u>			<u>11,408,835</u>

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/10

Missouri River Energy Services

Line No.	SUPPORTING CALCULATIONS AND NOTES		Company Total	Allocator	Transmission
	EIA 412 Reference				
<b>GROSS PLANT IN SERVICE</b>					
1	Production	IV.6.f	282,783,853	NA	0.0000
2a	Transmission, excluding separate	1 IV.7.f	31,331,558	TP	1.0000
2b	Separate Transmission Project (No	IV.7.f	27,757,868	TP	1.0000
3	Distribution	IV.8.f	0	NA	0.0000
4	General & Intangible	IV.9.f	13,511,488	W/S	0.1526
5	Common		0	CE	0.0000
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>355,384,767</u>	GP	0.1721
6a	Gross Plant Allocator, excluding Separate Transmission Project		<u>327,826,899</u>	GP 2	0.1144
TRANSMISSION PLANT INCLUDED IN ISO RATES					
7	Total transmission plant (line 2)				59,089,426
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>59,089,426</u>
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)			TP=	1.00000
<b>TRANSMISSION EXPENSES</b>					
12	Total transmission expenses (page 2, line 1, column 3)				21,206,260
13	Less transmission expenses included in OATT Ancillary Services (Note L)				<u>307,991</u>
14	Included transmission expenses (line 12 less line 13)				20,898,269
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)				0.98548
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=	0.98548
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S) (Note L)</b>					
			\$	Allocation	
18	Production		2,549,769	0.00	0
19	Transmission		476,908	1.00	476,908
20	Distribution		0	0.00	0
21	Other		99,003	0	0
22	Total (sum lines 18-21)		<u>3,125,680</u>		<u>476,908</u> = <u>0.1526</u>
<b>COMMON PLANT ALLOCATOR (CE) (Note M)</b>					
			\$	% Electric (line 23 / line 26)	Labor Ratio (line 22)
23	Electric		355,384,767		
24	Gas		0	1.00000	0.1526
25	Water		0		
26	Total (sum lines 23-25)		<u>355,384,767</u>		= 0.1526
<b>FINANCING DATA</b>					
			\$		
27	Long Term Debt	II.33.b +34.b	<u>\$292,320,000</u>		
28	Debt Service		26,958,349		
29	Interest on Long Term Debt	III.16.b + III.17.b (Note R)	<u>10,363,327</u>		
30	Bond Principal Amortization (line 28 less line 29)		<u>16,595,022</u>		
<b>REVENUE CREDITS</b>					
<b>ACCOUNT 447 (SALES FOR RESALE)</b>					
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)				\$135,812
<b>ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)</b>					
35	a. Transmission charges for all transmission transactions				\$16,367,480
36	b. Transmission charges for all transmission transactions included in Divisor on page 1				<u>\$16,309,574</u>
37	Total of (a)-(b)				557,916

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/10

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 Irv Simmons project in the Integrated System (IS).

***Missouri River Energy Services  
2010 Estimated  
Revenue Requirement Template***

Confidential

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

Missouri River Energy Services

Line No.				Allocated Amount		
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)		\$ 11,433,059		
	REVENUE CREDITS	(Note Q)	Total	Allocator		
2	Account No. 454	(page 3, line 34)	0	TP 1.00000		
3	Account No. 456.1	(page 3, line 37)	70,250	TP 1.00000		
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000		
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000		
6	TOTAL REVENUE CREDITS (sum lines 2-5)			70,250		
7	NET REVENUE REQUIREMENT	(line 1 minus line 6)		\$ 11,362,809		
<u>Allocation of Net Revenue Requirements by Pricing Zones:</u>						
		Irv Simmons	OTP	MBPP	Marshall Wind Circuit	Total
	Transmission Plant Investment	\$ 1,857,786	\$ 27,309,547	\$ 29,052,153	\$ 1,984,245	\$ 60,303,731
	% of Total Transmission Plant	3.2%	45.3%	48.2%	3.3%	100.0%
<u>Net Transmission Revenue Requirement</u>						
	(Allocated on Transmission Plant)	\$ 368,898	\$ 5,145,837	\$ 5,474,190	\$ 373,884	\$ 11,362,809
<u>DIVISOR</u>						
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)		675,337
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)					675,337
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 12/31/08	
(1)	(2)	Missouri River Energy Services (3)	(4)	(5)	
Line No.	EIA 412 Reference	Company Total	Allocator	Transmission (Col 3 times Col 4)	
<b>O&amp;M</b>					
1	Transmission (Note X)	16,642,850	YE	1.0000	16,642,850
1a	Less LSE Expenses included in Transmission O&M Accounts (I)	0		1.0000	0
2	Less Account 565	13,138,692		1.0000	13,138,692
3	A&G VII.13.d	7,458,554	WWS	0.1969	1,468,501
4	Less FERC Annual Fees	0	WWS	0.1969	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)	0	WWS	0.1969	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)	0	TE	1.0000	0
6	Common	0	CE	0.1969	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)	10,962,712			4,972,659
<b>DEBT SERVICE</b>					
9a	Debt Service - Transmission Bond Resolution (Note T)	2,215,634		1.0000	2,215,634
9b	Debt Service- Excluding Transmission Bond Resolution (Note U)	23,819,148	GP 2	0.1132	2,697,298
10	Amortization of premium or discount (Note V)	0	GP	0.1808	0
11	TOTAL DEBT SERVICE (Sum lines 9 - 10)	26,034,781			4,912,932
<b>TAXES OTHER THAN INCOME TAXES (Note G)</b>					
<b>LABOR RELATED</b>					
13	Payroll	0	WWS	0.1969	0
14	Highway and vehicle	0	WWS	0.1969	0
<b>PLANT RELATED</b>					
16a	Property- Transmission Only (Note G)	360,304		1.0000	360,304
16b	Property- General Plant	55,795	GP	0.1808	10,090
17	Gross Receipts	0		0.0000	0
18	Other	0	GP	0.1808	0
19	Payments in lieu of taxes	0	GP	0.1808	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	416,099			370,394
21	SUBTOTAL (sum lines 8, 11, 20)	37,413,693			10,255,985
22	MARGIN REQUIREMENT (Note H)	6,508,695	GP	0.1808	1,177,074
23	REV. REQUIREMENT (sum lines 21-22)	43,922,288			11,433,059

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

Missouri River Energy Services

Line  
No.

SUPPORTING CALCULATIONS AND NOTES

Line No.	DESCRIPTION	EIA 412 Reference	Company Total	Allocator	Transmission
<b>GROSS PLANT IN SERVICE</b>					
1	Production	IV.8.f	275,166,065	NA	0
2a	Transmission, excluding separate	IV.7.f	32,994,184	TP	32,994,184
2b	Separate Transmission Project (No IV.7.f)		27,309,547	TP	27,309,547
3	Distribution	IV.8.f	0	NA	0
4	General & Intangible	IV.9.f	22,739,622	W/S	4,477,163
5	Common		0	CE	0
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>358,209,418</u>	GP	<u>64,780,894</u>
6a	Gross Plant Allocator, excluding Separate Transmission Project		<u>330,899,871</u>	GP 2	<u>37,471,347</u>
<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>					
7	Total transmission plant (line 2)				60,303,731
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>60,303,731</u>
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)			TP=	1.00000
<b>TRANSMISSION EXPENSES</b>					
12	Total transmission expenses (page 2, line 1, column 3)				16,642,850
13	Less transmission expenses included in OATT Ancillary Services (Note I)				0
14	Included transmission expenses (line 12 less line 13)				<u>16,642,850</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
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S) (Note L)</b>					
			\$	Allocation	
18	Production		1,713,972	0.00	0
19	Transmission		454,504	1.00	454,504
20	Distribution		0	0.00	0
21	Other		139,959		0
22	Total (sum lines 18-21)		<u>2,308,435</u>		<u>454,504</u> = 0.1969
<b>COMMON PLANT ALLOCATOR (CE) (Note M)</b>					
			\$	% Electric (line 23 / line 26)	Labor Ratio (line 22)
23	Electric		358,209,418	1.00000	0.1969
24	Gas		0		
25	Water		0		
26	Total (sum lines 23-25)		<u>358,209,418</u>		<u>0.1969</u> = 0.1969
<b>FINANCING DATA</b>					
			\$		
27	Long Term Debt	II.33.b +34.b	<u>\$232,070,418</u>		
28	Debt Service		26,034,781		
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>14,100,000</u>		
<b>REVENUE CREDITS</b>					
					Load
<b>ACCOUNT 447 (SALES FOR RESALE)</b>					
31	a. Bundled Non-RC 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>
<b>ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)</b>					
35	a. Transmission charges for all transmission transactions				<u>\$70,250</u>
36	b. Transmission charges for all transmission transactions included in Divisor on page 1				<u>\$0</u>
37	Total of (a)-(b)				<u>\$70,250</u>

Formula Rate - Cash Flow

Rate Formula Template  
Utilizing EIA Form 412 Data

For the 12 months ended 12/31/08

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 Irv Simmons project in the Integrated System (IS).

***NWPS***  
***2010 Actual***  
***Revenue Requirement Template***

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data		For the 12 months ended 12/31/10	
		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities			
Line No.				Allocated Amount	
1	GROSS REVENUE REQUIREMENT (page 3, line 29)			\$ 3,473,780	
REVENUE CREDITS (Note T)					
		Total	Allocation		
2	Account No. 454 (page 4, line 34)	169,771	TP 0.83220	141,283	
3	Account No. 456 (page 4, line 37)	72,942	TP 0.83220	60,702	
4	Revenues from Grandfathered Interzonal Transactions	0	TP 0.83220	0	
5	Revenues from service provided by the ISO at a discount	0	TP 0.83220	0	
6	TOTAL REVENUE CREDITS (sum lines 2-5)			201,985	
7	NET REVENUE REQUIREMENT (line 1 minus line 6)			\$ 3,271,795	
DIVISOR					
8	Average of 12 coincident system peaks for requirements (RQ) service		(Note A)	243,862	
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)			257,862	
16	Annual Cost (\$/MWh) (line 7 / line 15)	12.688			
17	Network & P-to-P Rate (\$/MWh) (line 16 / 12)	1.057			
Peak Rate					
18	Point-To-Point Rate (\$/MWh) (line 16 / 52; line 16 / 52)	0.244		\$0.244	
19	Point-To-Point Rate (\$/MWh/day) (line 16 / 5; line 16 / 7)	0.049	Capped at weekly rate	\$0.035	
20	Point-To-Point Rate (\$/MWh) (line 19 / 16; line 19 / 24 times 1,000)	3.050	Capped at weekly and daily rates	\$1.452	
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 12/31/10	
(1)		(2)		(3)	
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)	
<b>RATE BASE:</b>					
<b>GROSS PLANT IN SERVICE</b>					
1	Production 206.42.g	160,809,843	NA		
2	Transmission 206.53.g	37,008,925	TP	0.63220	30,846,681
3	Distribution 206.69.g	231,358,884	NA		6,220,244
4	General & Intangible 206.5.g & 83.g	10,588,800	WIS	0.08071	854,614
5	Common 356.1	21,084,142	CE	0.05050	1,086,893
6	TOTAL GROSS PLANT (sum lines 1-5)	460,810,594	GP=	7.110%	32,770,188
<b>ACCUMULATED DEPRECIATION</b>					
7	Production 219.18-22.c	105,195,863	NA		
8	Transmission 219.23.c	23,416,063	VEst.	75.176%	17,603,154
9	Distribution 219.24.c	89,702,256	NA		
10	General & Intangible 219.25.c	2,431,212	WIS	0.08071	196,221
11	Common 356.1	5,257,460	CE	0.05060	266,036
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)	227,002,853			18,065,412
<b>NET PLANT IN SERVICE</b>					
13	Production (line 1 - line 7)	64,613,980			
14	Transmission (line 2 - line 8)	13,652,862			13,245,527
15	Distribution (line 3 - line 9)	141,656,626			
16	General & Intangible (line 4 - line 10)	8,157,588			658,392
17	Common (line 5 - line 11)	15,825,663			800,657
18	TOTAL NET PLANT (sum lines 13-17)	233,907,741	NP=	6.287%	14,704,776
<b>ADJUSTMENTS TO RATE BASE (Note F)</b>					
19	Account No. 281 (enter negative) 273.8.k	0	NA	zero	0
20	Account No. 282 (enter negative) 275.2.k	-46,240,365	NP	0.06287	-2,906,835
21	Account No. 283 (enter negative) 277.2.k	-2,197,034	NP	0.06287	-138,118
22	Account No. 190 234.8.c	9,119,761	NP	0.06287	573,320
23	Account No. 255 (enter negative) 267.8.h	-1,793,779	NP	0.06287	-112,767
24	TOTAL ADJUSTMENTS (sum lines 19-23)	-41,111,437			-7,584,500
25	LAND HELD FOR FUTURE USE 214.x.d (Note G)	0	VEst.	0.75176	0
<b>WORKING CAPITAL (Note H)</b>					
26	CWAC calculated	820,434			110,946
27	Materials & Supplies (Note G) 227.6.c & .15.c	0		1.00000	0
28	Prepayments (Account 165) 111.45.d	0	GP	0.07110	0
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)	820,434			110,946
30	RATE BASE (sum lines 18, 24, 25, & 29)	193,616,738			12,231,223

Accumulated Depreciation of Joint Plant  
Transmission Facilities, see Assets A/c  
-5,812,909

Excluded transmission maintained and supplied by others

Formula Rate - Non-Levelized		Rate Formula Template Utilizing FERC Form 1 Data		For the 12 months ended 12/31/10			
		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities					
Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)		
1	O&M						
1	Transmission	321.100.b	6,833,001	TE	0.83220	6,513,752	Reduce non-565 by TE Ratio
2	Less Account 565	321.88.b	5,922,347		1.00000	5,922,347	
3	A&G	323.168.b	5,852,820	W/S	0.05060	296,163	
4	Less FERC Annual Fees		0	W/S	0.05060	0	
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		0	W/S	0.05060	0	
5a	Plus Transmission Related/Reg. Comm. Exp. (Note I)		0	TE	0.83220	0	
6	Common	356.1	0	CE	0.05060	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)		6,563,474			867,568	
9	DEPRECIATION EXPENSE						Excluded 200,914
9	Transmission	336.7.b	1,212,154	VRB00	0.75176	1,011,240	
10	General	336.9.b	669,608	W/S	0.05060	33,683	
11	Common	336.10.b	1,345,290	CE	0.05060	68,074	
12	TOTAL DEPRECIATION (sum lines 9 - 11)		3,227,051			1,113,197	
	TAXES OTHER THAN INCOME TAXES (Note J)						
	LABOR RELATED						
13	Payroll	262.i	763,562	W/S	0.05060	38,638	
14	Highway and vehicle	262.i	54,207	W/S	0.05060	2,743	
15	PLANT RELATED						
16	Property	262.i	3,149,405	GP	0.07110	223,919	
17	Gross Receipts	262.i	146,268	NA	zero	0	
18	Other	262.i	243,562	GP	0.07110	17,317	
19	Payments in lieu of taxes		0	GP	0.07110	0	
20	TOTAL OTHER TAXES (sum lines 13 - 19)		4,357,003			262,616	
	INCOME TAXES (Note K)						
21	$T = 1 - ((1 - \text{SIT}) * (1 - \text{FIT})) / (1 - \text{SIT} * \text{FIT} * p) =$		35.00%				
22	$\text{CIT} = (T * 1 - T) * (1 - (\text{WCLD} / \text{R})) =$		34.17%				
	where WCLD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.						
23	$1 / (1 - T) =$ (from line 21)		1.5385				
24	Amortized Investment Tax Credit (266.6f) (enter negative)		-1,996,008				
25	Income Tax Calculation = line 22 * line 28		5,577,651	NA		352,353	
26	ITC adjustment (line 23 * line 24)		3,076,778	NP	0.06287	-193,647	
27	Total Income Taxes (line 25 plus line 26)		2,506,874			159,307	
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		16,321,891	NA		1,031,092	
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		32,976,294			3,473,780	



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

General Note: References to pages in this formula 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 - EPR1 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 5b - 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 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.
- 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 26). 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. 45G 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***  
***2010 Estimated***  
***Revenue Requirement Template***

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/08

		Utilizing FERC Form 1 Data With 7-Factor Changes -EXCLUDES EXT. Joint Plant Transmission Facilities		Allocated
Line No.				Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)			\$ 2,968,715
	REVENUE CREDITS (Note T)	Total	Allocator	
2	Account No. 454 (page 4, line 34)	147,593	TP 0.85990	126,915
3	Account No. 456 (page 4, line 37)	74,426	TP 0.85990	63,999
4	Revenues from Grandfathered Interzonal Transactions	0	TP 0.85990	0
5	Revenues from service provided by the ISO at a discount	0	TP 0.85990	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			190,914
7	NET REVENUE REQUIREMENT (line 1 minus line 6)			\$ 2,777,801
	DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service		(Note A)	231,667
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 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)			231,667
16	Annual Cost (\$/kWYr) (line 7 / line 15)	-11.990		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)	0.999		
		Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)	0.231		\$0.231
19	Point-To-Point Rate (\$/kW/Day) (line 18 / 5; line 18 / 7)	0.046	Capped at weekly rate	\$0.033
20	Point-To-Point Rate (\$/MWh) (line 19 / 16; line 19 / 24 times 1,000)	2.875	Capped at weekly and daily rates	\$1.375
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 12/31/08

Line No.	(1)	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 lines Col 4)	
<b>RATE BASE:</b>						
<b>GROSS PLANT IN SERVICE</b>						
1	Production	206.42.g	157,385,947	NA		
2	Transmission	206.53.g	44,397,456	TP	0.85990	38,177,372
3	Distribution	206.69.g	198,004,315	NA		6,220,084
4	General & Intangible	206.5.g & 83.g	9,641,521	W/S	0.06219	599,606
5	Common	356.1	24,375,865	CE	0.04021	980,154
6	TOTAL GROSS PLANT (sum lines 1-5)		433,805,104	GP=	9.165%	39,757,132
<b>ACCUMULATED DEPRECIATION</b>						
7	Production	219.18-22.c	90,867,583	NA		
8	Transmission	219.23.c	34,291,203	VEst.	84.220%	28,880,122
9	Distribution	219.24.c	67,351,901	NA		
10	General & Intangible	219.25.c	2,643,284	W/S	0.06219	164,386
11	Common	356.1	9,052,317	CE	0.04021	363,994
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		212,206,288			29,408,502
<b>NET PLANT IN SERVICE</b>						
13	Production	(line 1- line 7)	58,518,364			
14	Transmission	(line 2- line 8)	10,106,253			9,297,250
15	Distribution	(line 3 - line 9)	130,652,414			
16	General & Intangible	(line 4 - line 10)	6,998,237			435,220
17	Common	(line 5 - line 11)	15,323,548			616,160
18	TOTAL NET PLANT (sum lines 13-17)		221,598,816	NP=	4.670%	10,348,630
<b>ADJUSTMENTS TO RATE BASE (Note F)</b>						
19	Account No. 281 (enter negative)	273.8.k	0	NA	zero	0
20	Account No. 282 (enter negative)	275.2.k	-53,341,253	NP	0.04670	-2,491,037
21	Account No. 283 (enter negative)	277.9.k	-7,288,777	NP	0.04670	-340,386
22	Account No. 190	234.0.c	15,540,720	NP	0.04670	725,752
23	Account No. 255 (enter negative)	267.8.h	-2,640,059	NP	0.04670	-123,291
24	TOTAL ADJUSTMENTS (sum lines 19- 23)		-47,729,369			-2,228,962
25	LAND HELD FOR FUTURE USE	214.x.d (Note G)	0	VEst.	0.84220	0
<b>WORKING CAPITAL (Note H)</b>						
26	CWC	calculated	1,034,011			100,153
27	Materials & Supplies (Note G)	227.5.c & .15.c	0		1.00000	0
28	Prepayments (Account 105)	111.46.d	0	GP	0.09165	0
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		1,034,011			100,153
30	RATE BASE (sum lines 18, 24, 25, & 29)		174,903,458			8,219,821

Excluded tran:

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/08

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

(1)	(2)	(3)	(4)	(5)	
Line No.	Form No. 1 Page, Line, Col.	Company Total	Allocator	Transmission (Col 3 times Col 4)	
<b>O&amp;M</b>					
1	Transmission 321.100.b	5,743,246	TE	0.85990	5,663,153
2	Less Account 565 321.88.b	5,171,562		1.00000	5,171,562
3	A&G 323.168.b	7,700,402	W/S	0.04021	309,633
4	Less FERC Annual Fees	0	W/S	0.04021	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)	0	W/S	0.04021	0
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)	0	TE	0.85990	0
6	Common 356.1	0	CE	0.04021	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>8,272,086</u>			<u>801,224</u>
<b>DEPRECIATION EXPENSE</b>					
9	Transmission 336.7.b	921,067	VRB00	0.84220	736,113
10	General 336.9.b	623,354	W/S	0.04021	25,065
11	Common 336.10.b	<u>1,800,673</u>	CE	0.04021	<u>72,405</u>
12	TOTAL DEPRECIATION (Sum lines 9 - 11)	<u>3,345,094</u>			<u>833,583</u>
<b>TAXES OTHER THAN INCOME TAXES (Note J)</b>					
<b>LABOR RELATED</b>					
13	Payroll 262.i	755,995	W/S	0.04021	30,399
14	Highway and vehicle 262.i	64,949	W/S	0.04021	2,612
<b>PLANT RELATED</b>					
16	Property 262.i	3,301,290	GP	0.09165	302,563
17	Gross Receipts 262.i	132,883	NA	zero	0
18	Other 262.i	244,984	GP	0.09165	22,453
19	Payments in lieu of taxes	0	GP	0.09165	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)	<u>4,500,101</u>			<u>358,027</u>
<b>INCOME TAXES (Note K)</b>					
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.	36.67%			
23	$1 / (1 - T)$ = (from line 21)	1.5385			
24	Amortized Investment Tax Credit (266.8f) (enter negative)	-536,574			
25	Income Tax Calculation = line 22 * line 28	5,791,580	NA		272,183
26	ITC adjustment (line 23 * line 24)	<u>-825,519</u>	NP	0.04670	<u>-38,552</u>
27	Total Income Taxes (line 25 plus line 26)	<u>4,966,061</u>			<u>233,631</u>
28	RETURN { Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)}	15,793,782	NA		742,250
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)	<u><u>36,877,124</u></u>			<u><u>2,968,715</u></u>

Excluded 184,954

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)					44,397,456		
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)					38,177,212		
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)			TP=		0.85990		
TRANSMISSION EXPENSES								
6	Total transmission expenses (page 3, line 1, column 3)					5,743,246		
7	Less transmission expenses included in OATT Ancillary Services (Note L)					0		
8	Included transmission expenses (line 6 less line 7)					5,743,246		
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		0.85990		
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)			TE=		0.85990		
WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	\$	TP	Allocation			
12	Production	354.18.b	467,893	0.00	0			
13	Transmission	354.19.b	399,793	0.86	343,922			
14	Distribution	354.20.b	3,842,059	0.00	0			
15	Other	354.21,22,23.b	1,719,325	0.00	0			
16	Total (sum lines 12-15)		6,429,070		343,822	=	0.05348 = WS 0.06219 = Wsact	
COMMON PLANT ALLOCATOR (CE) (Note O)								
			\$	% Electric (line 17 / line 20)	W&S Allocator (line 16)		CE	
17	Electric	200.3.c	409,396,824	0.75192	0.05348	=	0.04021	
18	Gas	200.3.d	135,070,061					
19	Water	200.3.e	0					
20	Total (sum lines 17 - 19)		544,466,885					
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)		634,089,495.0000	0.4537	0.0000	0.0634	0.0000	0.0288 =WVCLTD
28	Preferred Stock (112.3d)		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
29	Common Stock (line 26)		763,532,149.0000	0.5463	0.0000	0.1125	0.0000	0.0615
30	Total (sum lines 27-29)		#####		0.0000	0.0000	0.0000	0.0903 =R
REVENUE CREDITS								
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)						Load		
31	a. Bundled Non-RQ Sales for Resale (311.x.h)						264,504	
32	b. Bundled Sales for Resale included in Divisor on page 1						264,504	
33	Total of (a)-(b)						0	
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)						\$147,593	
ACCOUNT 456 (OTHER ELECTRIC REVENUES) (330.x.n)								
35	a. Transmission charges for all transmission transactions						\$206,577	
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1						\$132,151	
37	Total of (a)-(b)						\$74,426	

## 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.