

Revenue Requirements Model - North Dakota
 Calculation of Levelized Annual Revenue Requirements (LARR) Factor
 Intelliteam Switches

Capital Investment:	\$2,500,000	Month in Service:	1	Cost	Weight	B4 Tax	Aft. Tax
Service Life:	31.5	Year in Service:	1	Equity*	10.75%	51.77%	5.57%
Tax Life:	20			ST Debt	5.74%	2.62%	0.15%
		Gross Salvage %:	0%	LT Debt	6.76%	45.61%	3.08%
Income Tax Rate:	39.23%	Removal %:	30%	Prof.	0.00%	0.00%	0.00%
Property Tax Rate:	1.42%						
Property Tax Escalation Rate:	1.19%	Salvage Value:	\$0			100.00%	8.80%
O&M %:	0.00%	Removal Expense:	\$750,000				7.53%
O&M Escalation:	1.19%						

Data from 2009 Annual Report to the NDPSFC
 * ROE reflects 2007 ND Gas Case PU-06-525 and PU-07-776 stipulation

Year	Beg Mo.	End Mo.	Unrec. Plant	Equity Return	Debt Return	Book Depr	Tax Depr	Def. Taxes	Salvage (Removal)	Cur Inc. Taxes	Prop Taxes	O&M	Rev Requir	A/T PV Rev Req
1	1	12	\$2,500,000	\$66,798	\$37,236	\$103,175	\$93,750	(\$3,697)	\$0	\$46,819	\$0	\$0	\$250,330	\$232,800
2	1	12	\$2,400,523	\$133,596	\$77,624	\$103,175	\$180,500	\$30,335	\$0	\$55,908	\$35,500	\$0	\$436,137	\$377,190
3	1	12	\$2,267,013	\$126,166	\$73,307	\$103,175	\$167,000	\$25,039	\$0	\$56,407	\$35,922	\$0	\$420,015	\$337,810
4	1	12	\$2,138,800	\$119,030	\$69,161	\$103,175	\$154,500	\$20,135	\$0	\$56,705	\$36,350	\$0	\$404,555	\$302,589
5	1	12	\$2,015,490	\$112,168	\$65,173	\$103,175	\$142,750	\$15,525	\$0	\$56,884	\$36,782	\$0	\$389,708	\$271,071
6	1	12	\$1,896,790	\$105,562	\$61,335	\$103,175	\$132,000	\$11,308	\$0	\$56,837	\$37,220	\$0	\$375,437	\$242,857
7	1	12	\$1,782,308	\$99,190	\$57,633	\$103,175	\$122,250	\$7,483	\$0	\$56,549	\$37,663	\$0	\$361,693	\$217,582
8	1	12	\$1,671,650	\$93,032	\$54,055	\$103,175	\$113,000	\$3,855	\$0	\$56,202	\$38,111	\$0	\$348,429	\$194,924
9	1	12	\$1,564,621	\$87,075	\$50,594	\$103,175	\$111,500	\$3,266	\$0	\$52,945	\$38,565	\$0	\$335,620	\$174,610
10	1	12	\$1,458,180	\$81,152	\$47,152	\$103,175	\$111,500	\$3,266	\$0	\$49,121	\$39,024	\$0	\$322,890	\$156,222
11	1	12	\$1,351,739	\$75,228	\$43,710	\$103,175	\$111,500	\$3,266	\$0	\$45,297	\$39,488	\$0	\$310,164	\$139,557
12	1	12	\$1,245,299	\$69,304	\$40,268	\$103,175	\$111,500	\$3,266	\$0	\$41,473	\$39,958	\$0	\$297,445	\$124,461
13	1	12	\$1,138,858	\$63,381	\$36,826	\$103,175	\$111,500	\$3,266	\$0	\$37,649	\$40,434	\$0	\$284,730	\$110,798
14	1	12	\$1,032,417	\$57,457	\$33,384	\$103,175	\$111,500	\$3,266	\$0	\$33,825	\$40,915	\$0	\$272,022	\$98,439
15	1	12	\$925,977	\$51,533	\$29,943	\$103,175	\$111,500	\$3,266	\$0	\$30,001	\$41,402	\$0	\$259,319	\$87,271
16	1	12	\$819,536	\$45,609	\$26,501	\$103,175	\$111,500	\$3,266	\$0	\$26,177	\$41,894	\$0	\$246,622	\$77,185
17	1	12	\$713,095	\$39,686	\$23,059	\$103,175	\$111,500	\$3,266	\$0	\$22,353	\$42,393	\$0	\$233,931	\$68,086
18	1	12	\$606,655	\$33,762	\$19,617	\$103,175	\$111,500	\$3,364	\$0	\$18,431	\$42,897	\$0	\$221,246	\$59,885
19	1	12	\$500,116	\$27,833	\$16,172	\$103,175	\$111,500	\$3,266	\$0	\$14,701	\$43,408	\$0	\$208,555	\$52,496
20	1	12	\$393,675	\$21,909	\$12,730	\$103,175	\$111,750	\$3,364	\$0	\$10,779	\$43,924	\$0	\$195,881	\$45,853
21	1	12	\$287,137	\$15,980	\$9,285	\$103,175	\$55,750	(\$18,605)	\$0	\$28,921	\$44,447	\$0	\$183,202	\$39,882
22	1	12	\$202,567	\$11,273	\$6,550	\$103,175	\$0	(\$40,475)	\$0	\$47,753	\$44,976	\$0	\$173,252	\$35,075
23	1	12	\$139,867	\$7,784	\$4,523	\$103,175	\$0	(\$40,475)	\$0	\$45,500	\$45,511	\$0	\$166,018	\$31,256
24	1	12	\$77,168	\$4,295	\$2,495	\$103,175	\$0	(\$40,475)	\$0	\$43,248	\$46,053	\$0	\$158,790	\$27,802
25	1	12	\$14,469	\$805	\$468	\$103,175	\$0	(\$40,475)	\$0	\$40,995	\$46,601	\$0	\$151,568	\$24,679
26	1	12	(\$48,230)	(\$2,684)	(\$1,560)	\$103,175	\$0	(\$40,475)	\$0	\$38,743	\$47,155	\$0	\$144,353	\$21,858
27	1	12	(\$110,929)	(\$6,174)	(\$3,587)	\$103,175	\$0	(\$40,475)	\$0	\$36,490	\$47,716	\$0	\$137,145	\$19,313
28	1	12	(\$173,629)	(\$9,663)	(\$5,614)	\$103,175	\$0	(\$40,475)	\$0	\$34,238	\$48,284	\$0	\$129,944	\$17,017
29	1	12	(\$236,328)	(\$13,152)	(\$7,642)	\$103,175	\$0	(\$40,475)	\$0	\$31,985	\$48,859	\$0	\$122,749	\$14,949
30	1	12	(\$299,027)	(\$16,642)	(\$9,669)	\$103,175	\$0	(\$40,475)	\$0	\$29,732	\$49,440	\$0	\$115,561	\$13,088
31	1	12	(\$361,726)	(\$20,131)	(\$11,697)	\$103,175	\$0	(\$40,475)	\$0	\$27,480	\$50,029	\$0	\$108,380	\$11,415
32	1	12	(\$424,425)	(\$23,620)	(\$13,724)	\$103,175	\$0	(\$40,475)	\$0	\$25,227	\$50,624	\$0	\$101,206	\$9,913
33	1	12	(\$487,125)	(\$27,110)	(\$15,752)	\$103,175	\$0	(\$40,475)	\$0	\$22,975	\$51,226	\$0	\$94,039	\$8,566
34	1	12	(\$549,824)	(\$30,599)	(\$17,779)	\$103,175	\$0	(\$40,475)	\$0	\$20,722	\$51,836	\$0	\$86,879	\$7,360
35	1	12	(\$612,523)	(\$34,089)	(\$19,807)	\$103,175	\$0	\$253,750	(\$750,000)	(\$275,755)	\$52,453	\$0	\$79,726	\$6,281
36	1	12	(\$219,447)	(\$12,213)	(\$7,096)	\$103,175	\$0	(\$40,475)	\$0	\$32,591	\$53,077	\$0	\$129,059	\$9,455
37														
38														
39														
40														
41														
				\$1,353,530	\$784,874	\$3,714,286	\$2,500,000	(\$182,139)	(\$750,000)	\$1,055,909	#####	\$0	\$8,256,599	\$3,669,598
Present Value				\$872,497	\$505,487	\$1,269,739		\$38,424		\$524,815	\$458,636	\$0	\$3,669,598	
LARR				\$73,130	\$42,368	\$106,426		\$3,221		\$43,988	\$38,441	\$0	\$307,574	
% of Inv.				2.93%	1.69%	4.26%		0.13%		1.76%	1.54%	0.00%	12.30%	