

Line No.	Description	Calculation Note	Proposed Interim Rates 2024
		(1)	(2)
1	Total Interim Retail Revenue		\$742,534,666
2	Interim Revenue Deficiency		\$102,612,257
3	Total Interim Revenue Percent Increase	Line 2 / Line 1	13.82%

Line No.	Description	Calculation Note	Proposed Interim Rates 2024
		(1)	(2)
1	Average Rate Base		\$2,388,175,335
2	Operating Income Before AFUDC		\$95,210,912
3	AFUDC		\$3,238,550
4	Operating Income	Line 2 + Line 3	\$98,449,462
5	Rate of Return	Line 4 / Line 1	4.1224%
6	Required Rate of Return		7.1841%
7	Required Operating Income	Line 1 * Line 6	\$171,568,904
8	Operating Income Deficiency	Line 7 - Line 4	\$73,119,442
9	Gross Revenue Conversion Factor		1.40335
10	Revenue Deficiency	Line 8 * Line 9	\$102,612,257
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$742,534,666
12	Required Percent Increase	Line 10 / Line 11	13.82%

Line No.	Description	Proposed Interim Rates 2024
		(1)
1	Plant In Service	
2	Steam	\$1,321,884,652
3	Hydro	\$202,574,048
4	Wind	\$705,164,820
5	Transmission	\$1,002,876,611
6	Distribution	\$742,530,696
7	General Plant	\$243,969,438
8	Intangible Plant	\$73,701,383
9	Plant In Service	<u>\$4,292,701,648</u>
10		
11	Accumulated Depreciation and Amortization	
12	Steam	(\$727,610,089)
13	Hydro	(\$48,573,219)
14	Wind	(\$209,840,004)
15	Transmission	(\$289,359,999)
16	Distribution	(\$344,861,314)
17	General Plant	(\$103,887,004)
18	Intangible Plant	<u>(\$49,720,712)</u>
19	Total Accumulated Depreciation and Amortization	<u>(\$1,773,852,340)</u>
20		
21	Net Plant Before CWIP	
22	Steam	\$594,274,563
23	Hydro	\$154,000,830
24	Wind	\$495,324,816
25	Solar	\$0
26	Transmission	\$713,516,612
27	Distribution	\$397,669,382
28	General Plant	\$140,082,434
29	Intangible Plant	<u>\$23,980,671</u>
30	Total Net Plant Before CWIP	<u>\$2,518,849,307</u>
31	Construction Work in Progress	<u>\$86,087,022</u>
32	Utility Plant	<u>\$2,604,936,330</u>
33		
34	Working Capital	
35	Fuel Inventory	\$19,346,103
36	Materials and Supplies	\$33,635,955
37	Prepayments	\$25,510,545
38	Cash Working Capital	<u>(\$42,878,150)</u>
39	Total Working Capital	<u>\$35,614,453</u>
40		
41	Additions and Deductions	
42	Asset Retirement Obligation	\$0
43	Electric Vehicle Program	\$0
44	Workers Compensation Deposit	\$69,499
45	Unamortized UMWI Transaction Cost	\$824,266
46	Customer Advances	(\$2,208,000)
47	Other Deferred Credits - Hibbard	(\$300,727)
48	Wind Performance Deposit	(\$132,978)
49	Accumulated Deferred Income Taxes	<u>(\$250,627,508)</u>
50	Total Additions and Deductions	<u>(\$252,375,448)</u>
51		
52	Total Average Rate Base	<u><u>\$2,388,175,335</u></u>

Line No.	Description	Proposed Interim Rates 2024
		(1)
1	Operating Revenue	
2	Sales by Rate Class	\$732,124,371
3	Dual Fuel	\$10,410,296
4	Intersystem Sales	\$37,829,282
5	LP Demand Response	(\$1,562,400)
6	Sales for Resale	\$121,182,985
7	Total Revenue from Sales	\$899,984,534
8	Other Operating Revenue	\$59,307,041
9	Total Operating Revenue	\$959,291,575
10		
11	Operating Expenses Before AFUDC	
12	Operation and Maintenance Expenses	
13	Steam Production	(\$37,624,288)
14	Hydro Production	(\$5,015,418)
15	Wind Production	(\$18,171,175)
16	Other Power Supply	(\$1,507,917)
17	Purchased Power	(\$308,504,949)
18	Fuel	(\$118,376,133)
19	Total Production	(\$489,199,880)
20	Transmission	(\$53,200,711)
21	Distribution	(\$27,735,048)
22	Customer Accounting	(\$6,877,280)
23	Customer Service and Information	(\$1,793,529)
24	Conservation Improvement Program	(\$12,531,684)
25	Sales	(\$24,373)
26	Administrative and General	(\$71,384,478)
27	Charitable Contributions	(\$229,394)
28	Interest on Customer Deposits	(\$2,520,000)
29	Total Operation and Maintenance Expenses	(\$665,496,377)
30	Depreciation Expense	(\$140,847,638)
31	Amortization Expense	(\$20,139,407)
32	Taxes Other Than Income Taxes	(\$53,028,788)
33	Income Taxes	(\$14,690,825)
34	Deferred Income Taxes	\$29,314,780
35	Investment Tax Credit	\$807,593
36	Total Operating Expenses Before AFUDC	(\$864,080,663)
37		
38	Operating Income Before AFUDC	\$95,210,912
39	Allowance for Funds Used During Construction	\$3,238,550
40	Total Operating Income	\$98,449,462

Line No.	Description	Total Company			Minnesota Jurisdiction		
		Unadjusted Test Year	Adjustments	Proposed Interim Rates	Unadjusted Test Year	Adjustments	Proposed Interim Rates
		2024		2024	2024		2024
		(1)	(2)	(3)	(4)	(5)	(6)
1	Plant In Service						
2	Steam	\$1,556,076,447	(\$67,131,163)	\$1,488,945,283	\$1,381,397,771	(\$59,513,119)	\$1,321,884,652
3	Hydro	\$229,567,334	\$0	\$229,567,334	\$202,574,048	\$0	\$202,574,048
4	Wind	\$808,909,430	(\$10,490,377)	\$798,419,053	\$714,464,749	(\$9,299,929)	\$705,164,820
5	Solar	\$203,277	(\$203,277)	\$0	\$180,209	(\$180,209)	\$0
6	Transmission	\$1,220,443,832	(\$11,721,433)	\$1,208,722,400	\$1,012,497,112	(\$9,620,502)	\$1,002,876,611
7	Distribution	\$787,549,210	(\$3,663,352)	\$783,885,859	\$746,192,815	(\$3,662,120)	\$742,530,696
8	General Plant	\$275,954,272	(\$1,789,013)	\$274,165,259	\$245,571,650	(\$1,602,212)	\$243,969,438
9	Intangible Plant	\$82,823,321	(\$1)	\$82,823,320	\$73,704,456	(\$3,073)	\$73,701,383
10	Total Plant In Service	\$4,961,527,124	(\$94,998,616)	\$4,866,528,508	\$4,376,582,811	(\$83,881,164)	\$4,292,701,648
11							
12	Accumulated Depreciation and Amortization						
13	Steam	(\$778,614,873)	(\$41,487,294)	(\$820,102,167)	(\$690,830,773)	(\$36,779,316)	(\$727,610,089)
14	Hydro	(\$67,944,322)	\$12,905,540	(\$55,038,782)	(\$59,966,730)	\$11,393,512	(\$48,573,219)
15	Wind	(\$240,058,692)	\$2,457,019	(\$237,601,672)	(\$212,018,200)	\$2,178,197	(\$209,840,004)
16	Solar	(\$51,959)	\$51,959	\$0	(\$46,063)	\$46,063	\$0
17	Transmission	(\$309,810,998)	(\$39,257,766)	(\$349,068,764)	(\$256,810,791)	(\$32,549,208)	(\$289,359,999)
18	Distribution	(\$316,808,765)	(\$47,259,904)	(\$364,068,669)	(\$300,171,533)	(\$44,689,781)	(\$344,861,314)
19	General Plant	(\$120,563,644)	\$3,818,663	(\$116,744,980)	(\$107,289,562)	\$3,402,558	(\$103,887,004)
20	Intangible Plant	(\$55,874,590)	\$1	(\$55,874,589)	(\$49,722,786)	\$2,073	(\$49,720,712)
21	Total Accumulated Depreciation and Amortization	(\$1,889,727,843)	(\$108,771,781)	(\$1,998,499,624)	(\$1,676,856,437)	(\$96,995,903)	(\$1,773,852,340)
22							
23	Net Plant Before CWIP						
24	Steam	\$777,461,573	(\$108,618,457)	\$668,843,116	\$690,566,998	(\$96,292,435)	\$594,274,563
25	Hydro	\$161,623,012	\$12,905,540	\$174,528,552	\$142,607,318	\$11,393,512	\$154,000,830
26	Wind	\$568,850,738	(\$8,033,358)	\$560,817,381	\$502,446,549	(\$7,121,732)	\$495,324,816
27	Solar	\$151,318	(\$151,318)	\$0	\$134,146	(\$134,146)	\$0
28	Transmission	\$910,632,834	(\$50,979,198)	\$859,653,636	\$755,686,321	(\$42,169,709)	\$713,516,612
29	Distribution	\$470,740,445	(\$50,923,256)	\$419,817,190	\$446,021,282	(\$48,351,901)	\$397,669,382
30	General Plant	\$155,390,629	\$2,029,650	\$157,420,278	\$138,282,088	\$1,800,346	\$140,082,434
31	Intangible Plant	\$26,948,731	(\$0)	\$26,948,731	\$23,981,671	(\$1,000)	\$23,980,671
32	Total Net Plant Before CWIP	\$3,071,799,281	(\$203,770,397)	\$2,868,028,883	\$2,699,726,374	(\$180,877,066)	\$2,518,849,307
33	Construction Work in Progress	\$125,081,699	(\$26,808,538)	\$98,273,161	\$108,211,822	(\$22,124,800)	\$86,087,022
34	Utility Plant	\$3,196,880,979	(\$230,578,935)	\$2,966,302,044	\$2,807,938,196	(\$203,001,866)	\$2,604,936,330
35							
36	Working Capital						
37	Fuel Inventory	\$22,519,035	\$0	\$22,519,035	\$19,346,103	\$0	\$19,346,103
38	Materials and Supplies	\$38,157,721	(\$0)	\$38,157,721	\$33,636,343	(\$388)	\$33,635,955
39	Prepayments	\$165,997,137	(\$136,693,053)	\$29,304,085	\$147,153,911	(\$121,643,367)	\$25,510,545
40	Cash Working Capital	(\$46,464,554)	(\$2,533,521)	(\$48,998,075)	(\$40,406,535)	(\$2,471,615)	(\$42,878,150)
41	Total Working Capital	\$180,209,339	(\$139,226,573)	\$40,982,766	\$159,729,823	(\$124,115,370)	\$35,614,453
42							
43	Additions and Deductions						
44	Asset Retirement Obligation	(\$116,000,323)	\$116,000,323	\$0	(\$102,836,606)	\$102,836,606	\$0
45	Electric Vehicle Program	\$184,685	(\$184,685)	\$0	\$174,987	(\$174,987)	\$0
46	Workers Compensation Deposit	\$78,101	(\$0)	\$78,101	\$69,502	(\$3)	\$69,499
47	Unamortized UMWI Transaction Cost	\$993,451	(\$0)	\$993,451	\$824,181	\$85	\$824,266
48	Customer Advances	(\$2,208,000)	\$0	(\$2,208,000)	(\$2,208,000)	\$0	(\$2,208,000)
49	Other Deferred Credits - Hibbard	(\$339,222)	\$0	(\$339,222)	(\$300,727)	\$0	(\$300,727)
50	Wind Performance Deposit	(\$150,000)	\$0	(\$150,000)	(\$132,978)	\$0	(\$132,978)
51	Accumulated Deferred Income Taxes	(\$340,675,481)	\$54,552,008	(\$286,123,473)	(\$298,975,309)	\$48,347,801	(\$250,627,508)
52	Total Additions and Deductions	(\$458,116,789)	\$170,367,646	(\$287,749,143)	(\$403,384,951)	\$151,009,503	(\$252,375,448)
53							
54	Total Average Rate Base	\$2,918,973,530	(\$199,437,862)	\$2,719,535,667	\$2,564,283,068	(\$176,107,732)	\$2,388,175,335

The adjustments listed below are used to convert from the 2024 Unadjusted Test Year budget rate base to the rate base for Proposed Interim Rates. A bridge schedule from the 2024 Unadjusted Test Year budget rate base to the Proposed Interim Rates rate base is provided in Direct Schedule B-3(IR) for Minnesota Jurisdiction and B-4(IR) for Total Company.

B-3 (IR)
&
B-4 (IR)
Column

Reference

(2) (3) (4)	Asset Retirement Obligations (ARO), Cost to Retire, and Decommissioning	
	Exclude ARO from plant and accumulated depreciation balances, as required in MP's 2008 rate case, Docket No. E015/GR-08-415. Include related cost to retire and decommissioning adjustments to increase accumulated depreciation instead.	Turner Direct, V. A. 1-3.; Vol. 4, Workpaper ADJ-RB-1; Vol. 4, Workpaper ADJ-RB-2; Vol. 4, Workpaper ADJ-RB-3
(5)	Boswell Unit 3 Environmental Project	
	Reduce plant and accumulated depreciation balances as required in MP's 2009 rate case, Docket No. E015/GR-09-1151.	Turner Direct, V. A. 4.; Vol. 4, Workpaper ADJ-RB-4
(6)	EV Program	
	Remove deferred of Electric Vehicle Program ("EV Program") expenses for recovery through amortization. Deferral approved in Docket No. E015/M-20-638.	Turner Direct, V. A. 5.; Vol. 4, Workpaper ADJ-RB-5
(7)	EVSE Project	
	Exclude Electric Vehicle Service Equipment Project ("EVSE Project") capital cost until subsequent rate case due to recent delay in project. Original deferral approved in Docket No. E015/M-21-257.	Turner Direct, V. A. 6.; Vol. 4, Workpaper ADJ-RB-6
(8)	Pro Rata Accumulated Deferred Income Tax ("ADIT")	
	Pro Rata ADIT methodology applies to Proposed Interim Rates, per Commission decision in MP 2016 rate case (Docket No. E015/GR-16-664).	Turner Direct, V. A. 7.; Vol. 4, Workpaper ADJ-RB-7
(9)	Prepaid Other Post-Employment Benefits ("OPEB")	
	Exclude Prepaid OPEB Asset and related ADIT for Interim Rates.	Turner Direct, V. A. 8.; Cutshall Direct, III; Vol. 4, Workpaper ADJ-RB-8
(10)	Aircraft Hangar	
	Net plant balance of corporate aircraft hangar is removed from rate base because MP chose to forego rate recovery of any costs associated with the aircraft.	Turner Direct, V. A. 9; Anderson Direct, IV. F.; Vol. 4, Workpaper ADJ-RB- 9
(11)	Continuing Cost Recovery Riders	
	Projects and costs in the test year budget that are included in cost recovery riders after this rate case are removed from rate base to avoid double recovery.	Turner Direct, V. A. 10.; Shimmin Direct, VI.; Vol. 4, Workpaper ADJ-RB-10
(12)	Prepaid Pension	
	Exclude prepaid pension asset and related ADIT for Interim Rates.	Turner Direct, V. A. 12.; Cutshall Direct, II; Vol. 4, Workpaper ADJ-RB-12
(13)	Cash Working Capital O&M	
	Cash working capital is adjusted to reflect the impact of various O&M expense adjustments to the test year budget and tax impacts.	Turner Direct, V. A. 13; Vol. 4, Workpaper ADJ-RB-13
(14)	Changes in Allocations Due to Adjustments (MN Jurisdictional)	
	The adjustments made in the adjusted versions of class cost-of-service studies may cause changes in allocation factors that have to be accounted for when bridging from an unadjusted to an adjusted CCOSS.	Turner Direct, V. A. 14; Vol. 4, Workpaper ADJ-RB-14

Line No.	Description	Unadjusted Test Year 2024	Asset Retirement Obligation	Cost to Retire	Decommissioning	Boswell 3 Environmental Project	EV Program	EVSE Project	Pro Rata ADIT	Prepaid OPEB
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Plant In Service									
2	Steam	\$1,381,397,771	(\$46,010,162)	\$0	\$0	(\$13,502,957)	\$0	\$0	\$0	\$0
3	Hydro	\$202,574,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Wind	\$714,464,749	(\$9,299,929)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Solar	\$180,209	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Transmission	\$1,012,497,112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Distribution	\$746,192,815	\$0	\$0	\$0	\$0	\$0	(\$2,620,293)	\$0	\$0
8	General Plant	\$245,571,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Intangible Plant	\$73,704,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Total Plant In Service	\$4,376,582,811	(\$55,310,091)	\$0	\$0	(\$13,502,957)	\$0	(\$2,620,293)	\$0	\$0
11										
12	Accumulated Depreciation and Amortization									
13	Steam	(\$690,830,773)	\$27,550,586	\$0	(\$71,846,207)	\$7,516,306	\$0	\$0	\$0	\$0
14	Hydro	(\$59,966,730)	\$0	\$11,393,512	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind	(\$212,018,200)	\$2,962,678	\$0	(\$784,481)	\$0	\$0	\$0	\$0	\$0
16	Solar	(\$46,063)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Transmission	(\$256,810,791)	\$0	(\$32,559,904)	\$0	\$0	\$0	\$0	\$0	\$0
18	Distribution	(\$300,171,533)	\$0	(\$45,190,218)	\$0	\$0	\$0	\$127,988	\$0	\$0
19	General Plant	(\$107,289,562)	\$0	\$2,682,963	\$0	\$0	\$0	\$0	\$0	\$0
20	Intangible Plant	(\$49,722,786)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Total Accumulated Depreciation and Amortization	(\$1,676,856,437)	\$30,513,264	(\$63,673,647)	(\$72,630,689)	\$7,516,306	\$0	\$127,988	\$0	\$0
22										
23	Net Plant Before CWIP									
24	Steam	\$690,566,998	(\$18,459,576)	\$0	(\$71,846,207)	(\$5,986,651)	\$0	\$0	\$0	\$0
25	Hydro	\$142,607,318	\$0	\$11,393,512	\$0	\$0	\$0	\$0	\$0	\$0
26	Wind	\$502,446,549	(\$6,337,251)	\$0	(\$784,481)	\$0	\$0	\$0	\$0	\$0
27	Solar	\$134,146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Transmission	\$755,686,321	\$0	(\$32,559,904)	\$0	\$0	\$0	\$0	\$0	\$0
29	Distribution	\$446,021,282	\$0	(\$45,190,218)	\$0	\$0	\$0	(\$2,492,305)	\$0	\$0
30	General Plant	\$138,282,088	\$0	\$2,682,963	\$0	\$0	\$0	\$0	\$0	\$0
31	Intangible Plant	\$23,981,671	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Total Net Plant Before CWIP	\$2,699,726,374	(\$24,796,827)	(\$63,673,647)	(\$72,630,689)	(\$5,986,651)	\$0	(\$2,492,305)	\$0	\$0
33	Construction Work in Progress	\$108,211,822	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Utility Plant	\$2,807,938,196	(\$24,796,827)	(\$63,673,647)	(\$72,630,689)	(\$5,986,651)	\$0	(\$2,492,305)	\$0	\$0
35										
36	Working Capital									
37	Fuel Inventory	\$19,346,103	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Materials and Supplies	\$33,636,343	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Prepayments	\$147,153,911	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$34,949,268)
40	Cash Working Capital	(\$40,406,535)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Working Capital	\$159,729,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$34,949,268)
42										
43	Additions and Deductions									
44	Asset Retirement Obligation	(\$102,836,606)	\$102,836,606	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45	Electric Vehicle Program	\$174,987	\$0	\$0	\$0	\$0	(\$174,942)	\$0	\$0	\$0
46	Workers Compensation Deposit	\$69,502	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	Unamortized UMWI Transaction Cost	\$824,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	Customer Advances	(\$2,208,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Other Deferred Credits - Hibbard	(\$300,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	Wind Performance Deposit	(\$132,978)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	Accumulated Deferred Income Taxes	(\$298,975,309)	\$6,244,677	\$0	\$0	\$1,534,674	\$0	(\$56,674)	(\$778,257)	\$11,234,511
52	Total Additions and Deductions	(\$403,384,951)	\$109,081,283	\$0	\$0	\$1,534,674	(\$174,942)	(\$56,674)	(\$778,257)	\$11,234,511
53										
54	Total Average Rate Base	\$2,564,283,068	\$84,284,456	(\$63,673,647)	(\$72,630,689)	(\$4,451,977)	(\$174,942)	(\$2,548,978)	(\$778,257)	(\$23,714,756)

Line No.	Description	Aircraft Hangar	Continuing Cost Recovery Riders	Prepaid Pension	Cash Working Capital	Changes in Allocations due to Adjustments	Total Adjustments	Proposed Interim Rates 2024
		(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Plant In Service							
2	Steam	\$0	\$0	\$0	\$0	\$0	(\$59,513,119)	\$1,321,884,652
3	Hydro	\$0	\$0	\$0	\$0	\$0	\$0	\$202,574,048
4	Wind	\$0	\$0	\$0	\$0	\$0	(\$9,299,929)	\$705,164,820
5	Solar	\$0	(\$203,277)	\$0	\$0	\$23,068	(\$180,209)	\$0
6	Transmission	\$0	(\$11,721,432)	\$0	\$0	\$2,100,930	(\$9,620,502)	\$1,002,876,611
7	Distribution	\$0	(\$1,043,059)	\$0	\$0	\$1,232	(\$3,662,120)	\$742,530,696
8	General Plant	(\$1,491,048)	(\$113,415)	\$0	\$0	\$2,251	(\$1,602,212)	\$243,969,438
9	Intangible Plant	\$0	\$0	\$0	\$0	(\$3,073)	(\$3,073)	\$73,701,383
10	Total Plant In Service	(\$1,491,048)	(\$13,081,182)	\$0	\$0	\$2,124,407	(\$83,881,164)	\$4,292,701,648
11								
12	Accumulated Depreciation and Amortization							
13	Steam	\$0	\$0	\$0	\$0	\$0	(\$36,779,316)	(\$727,610,089)
14	Hydro	\$0	\$0	\$0	\$0	\$0	\$11,393,512	(\$48,573,219)
15	Wind	\$0	\$0	\$0	\$0	\$0	\$2,178,197	(\$209,840,004)
16	Solar	\$0	\$51,959	\$0	\$0	(\$5,896)	\$46,063	\$0
17	Transmission	\$0	\$24,574	\$0	\$0	(\$13,878)	(\$32,549,208)	(\$289,359,999)
18	Distribution	\$0	\$319,150	\$0	\$0	\$53,299	(\$44,689,781)	(\$344,861,314)
19	General Plant	\$637,052	\$87,731	\$0	\$0	(\$5,189)	\$3,402,558	(\$103,887,004)
20	Intangible Plant	\$0	\$0	\$0	\$0	\$2,073	\$2,073	(\$49,720,712)
21	Total Accumulated Depreciation and Amortization	\$637,052	\$483,414	\$0	\$0	\$30,409	(\$96,995,903)	(\$1,773,852,340)
22								
23	Net Plant Before CWIP							
24	Steam	\$0	\$0	\$0	\$0	\$0	(\$96,292,435)	\$594,274,563
25	Hydro	\$0	\$0	\$0	\$0	\$0	\$11,393,512	\$154,000,830
26	Wind	\$0	\$0	\$0	\$0	\$0	(\$7,121,732)	\$495,324,816
27	Solar	\$0	(\$151,318)	\$0	\$0	\$17,172	(\$134,146)	\$0
28	Transmission	\$0	(\$11,696,857)	\$0	\$0	\$2,087,051	(\$42,169,709)	\$713,516,612
29	Distribution	\$0	(\$723,909)	\$0	\$0	\$54,531	(\$48,351,901)	\$397,669,382
30	General Plant	(\$853,996)	(\$25,684)	\$0	\$0	(\$2,937)	\$1,800,346	\$140,082,434
31	Intangible Plant	\$0	\$0	\$0	\$0	(\$1,000)	(\$1,000)	\$23,980,671
32	Total Net Plant Before CWIP	(\$853,996)	(\$12,597,768)	\$0	\$0	\$2,154,816	(\$180,877,066)	\$2,518,849,307
33	Construction Work in Progress	\$0	(\$26,808,536)	\$0	\$0	\$4,683,736	(\$22,124,800)	\$86,087,022
34	Utility Plant	(\$853,996)	(\$39,406,304)	\$0	\$0	\$6,838,552	(\$203,001,866)	\$2,604,936,330
35								
36	Working Capital							
37	Fuel Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$19,346,103
38	Materials and Supplies	\$0	\$0	\$0	\$0	(\$388)	(\$388)	\$33,635,955
39	Prepayments	\$0	\$0	(\$86,688,779)	\$0	(\$5,320)	(\$121,643,367)	\$25,510,545
40	Cash Working Capital	\$0	\$0	\$0	(\$2,477,743)	\$6,128	(\$2,471,615)	(\$42,878,150)
41	Total Working Capital	\$0	\$0	(\$86,688,779)	(\$2,477,743)	\$421	(\$124,115,370)	\$35,614,453
42								
43	Additions and Deductions							
44	Asset Retirement Obligation	\$0	\$0	\$0	\$0	\$0	\$102,836,606	\$0
45	Electric Vehicle Program	\$0	\$0	\$0	\$0	(\$45)	(\$174,987)	\$0
46	Workers Compensation Deposit	\$0	\$0	\$0	\$0	(\$3)	(\$3)	\$69,499
47	Unamortized UMWI Transaction Cost	\$0	\$0	\$0	\$0	\$85	\$85	\$824,266
48	Customer Advances	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,208,000)
49	Other Deferred Credits - Hibbard	\$0	\$0	\$0	\$0	\$0	\$0	(\$300,727)
50	Wind Performance Deposit	\$0	\$0	\$0	\$0	\$0	\$0	(\$132,978)
51	Accumulated Deferred Income Taxes	(\$14,111)	\$538,910	\$29,701,699	\$0	(\$57,628)	\$48,347,801	(\$250,627,508)
52	Total Additions and Deductions	(\$14,111)	\$538,910	\$29,701,699	\$0	(\$57,590)	\$151,009,503	(\$252,375,448)
53								
54	Total Average Rate Base	(\$868,107)	(\$38,867,394)	(\$56,987,080)	(\$2,477,743)	\$6,781,382	(\$176,107,732)	\$2,388,175,335

Line No.	Description	Unadjusted Test Year 2024	Asset Retirement Obligation	Cost to Retire	Decommissioning	Boswell 3 Environmental Project	EV Program	EVSE Project	Pro Rata ADIT	Prepaid OPEB
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Plant In Service									
2	Steam	\$1,556,076,447	(\$51,899,745)	\$0	\$0	(\$15,231,418)	\$0	\$0	\$0	\$0
3	Hydro	\$229,567,334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Wind	\$808,909,430	(\$10,490,377)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Solar	\$203,277	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Transmission	\$1,220,443,832	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Distribution	\$787,549,210	\$0	\$0	\$0	\$0	\$0	(\$2,620,293)	\$0	\$0
8	General Plant	\$275,954,272	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Intangible Plant	\$82,823,321	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Total Plant In Service	\$4,961,527,124	(\$62,390,122)	\$0	\$0	(\$15,231,418)	\$0	(\$2,620,293)	\$0	\$0
11										
12	Accumulated Depreciation and Amortization									
13	Steam	(\$778,614,873)	\$31,077,230	\$0	(\$81,042,963)	\$8,478,439	\$0	\$0	\$0	\$0
14	Hydro	(\$67,944,322)	\$0	\$12,905,540	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind	(\$240,058,692)	\$3,341,919	\$0	(\$884,900)	\$0	\$0	\$0	\$0	\$0
16	Solar	(\$51,959)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Transmission	(\$309,810,998)	\$0	(\$39,282,340)	\$0	\$0	\$0	\$0	\$0	\$0
18	Distribution	(\$316,808,765)	\$0	(\$47,707,043)	\$0	\$0	\$0	\$127,988	\$0	\$0
19	General Plant	(\$120,563,644)	\$0	\$3,015,030	\$0	\$0	\$0	\$0	\$0	\$0
20	Intangible Plant	(\$55,874,590)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Total Accumulated Depreciation and Amortization	(\$1,889,727,843)	\$34,419,149	(\$71,068,813)	(\$81,927,863)	\$8,478,439	\$0	\$127,988	\$0	\$0
22										
23	Net Plant Before CWIP									
24	Steam	\$777,461,573	(\$20,822,515)	\$0	(\$81,042,963)	(\$6,752,979)	\$0	\$0	\$0	\$0
25	Hydro	\$161,623,012	\$0	\$12,905,540	\$0	\$0	\$0	\$0	\$0	\$0
26	Wind	\$568,850,738	(\$7,148,458)	\$0	(\$884,900)	\$0	\$0	\$0	\$0	\$0
27	Solar	\$151,318	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Transmission	\$910,632,834	\$0	(\$39,282,340)	\$0	\$0	\$0	\$0	\$0	\$0
29	Distribution	\$470,740,445	\$0	(\$47,707,043)	\$0	\$0	\$0	(\$2,492,305)	\$0	\$0
30	General Plant	\$155,390,629	\$0	\$3,015,030	\$0	\$0	\$0	\$0	\$0	\$0
31	Intangible Plant	\$26,948,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Total Net Plant Before CWIP	\$3,071,799,281	(\$27,970,973)	(\$71,068,813)	(\$81,927,863)	(\$6,752,979)	\$0	(\$2,492,305)	\$0	\$0
33	Construction Work in Progress	\$125,081,699	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Utility Plant	\$3,196,880,979	(\$27,970,973)	(\$71,068,813)	(\$81,927,863)	(\$6,752,979)	\$0	(\$2,492,305)	\$0	\$0
35										
36	Working Capital									
37	Fuel Inventory	\$22,519,035	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Materials and Supplies	\$38,157,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Prepayments	\$165,997,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$39,274,899)
40	Cash Working Capital	(\$46,464,554)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Working Capital	\$180,209,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$39,274,899)
42										
43	Additions and Deductions									
44	Asset Retirement Obligation	(\$116,000,323)	\$116,000,323	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45	Electric Vehicle Program	\$184,685	\$0	\$0	\$0	\$0	(\$184,685)	\$0	\$0	\$0
46	Workers Compensation Deposit	\$78,101	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	Unamortized UMWI Transaction Cost	\$993,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	Customer Advances	(\$2,208,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Other Deferred Credits - Hibbard	(\$339,222)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	Wind Performance Deposit	(\$150,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	Accumulated Deferred Income Taxes	(\$340,675,481)	\$7,078,080	\$0	\$0	\$1,731,122	\$0	(\$56,674)	(\$883,181)	\$12,733,848
52	Total Additions and Deductions	(\$458,116,789)	\$123,078,403	\$0	\$0	\$1,731,122	(\$184,685)	(\$56,674)	(\$883,181)	\$12,733,848
53										
54	Total Average Rate Base	\$2,918,973,530	\$95,107,430	(\$71,068,813)	(\$81,927,863)	(\$5,021,858)	(\$184,685)	(\$2,548,978)	(\$883,181)	(\$26,541,051)

Line No.	Description	Aircraft Hangar	Continuing Cost Recovery Riders	Prepaid Pension	Cash Working Capital	Changes in Allocations due to Adjustments	Total Adjustments	Proposed Interim Rates 2024
		(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Plant In Service							
2	Steam	\$0	\$0	\$0	\$0	\$0	(\$67,131,163)	\$1,488,945,283
3	Hydro	\$0	\$0	\$0	\$0	\$0	\$0	\$229,567,334
4	Wind	\$0	\$0	\$0	\$0	\$0	(\$10,490,377)	\$798,419,053
5	Solar	\$0	(\$203,277)	\$0	\$0	\$0	(\$203,277)	\$0
6	Transmission	\$0	(\$11,721,432)	\$0	\$0	\$0	(\$11,721,432)	\$1,208,722,401
7	Distribution	\$0	(\$1,043,059)	\$0	\$0	\$0	(\$3,663,352)	\$783,885,859
8	General Plant	(\$1,675,593)	(\$113,415)	\$0	\$0	\$0	(\$1,789,009)	\$274,165,264
9	Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$82,823,321
10	Total Plant In Service	(\$1,675,593)	(\$13,081,182)	\$0	\$0	\$0	(\$94,998,609)	\$4,866,528,515
11								
12	Accumulated Depreciation and Amortization							
13	Steam	\$0	\$0	\$0	\$0	\$0	(\$41,487,294)	(\$820,102,167)
14	Hydro	\$0	\$0	\$0	\$0	\$0	\$12,905,540	(\$55,038,782)
15	Wind	\$0	\$0	\$0	\$0	\$0	\$2,457,019	(\$237,601,672)
16	Solar	\$0	\$51,959	\$0	\$0	\$0	\$51,959	(\$0)
17	Transmission	\$0	\$24,574	\$0	\$0	\$0	(\$39,257,766)	(\$349,068,764)
18	Distribution	\$0	\$319,150	\$0	\$0	\$0	(\$47,259,905)	(\$364,068,670)
19	General Plant	\$715,899	\$87,731	\$0	\$0	\$0	\$3,818,661	(\$116,744,983)
20	Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	(\$55,874,590)
21	Total Accumulated Depreciation and Amortization	\$715,899	\$483,414	\$0	\$0	\$0	(\$108,771,786)	(\$1,998,499,629)
22								
23	Net Plant Before CWIP							
24	Steam	\$0	\$0	\$0	\$0	\$0	(\$108,618,457)	\$668,843,116
25	Hydro	\$0	\$0	\$0	\$0	\$0	\$12,905,540	\$174,528,552
26	Wind	\$0	\$0	\$0	\$0	\$0	(\$8,033,358)	\$560,817,381
27	Solar	\$0	(\$151,318)	\$0	\$0	\$0	(\$151,318)	(\$0)
28	Transmission	\$0	(\$11,696,857)	\$0	\$0	\$0	(\$50,979,197)	\$859,653,636
29	Distribution	\$0	(\$723,909)	\$0	\$0	\$0	(\$50,923,256)	\$419,817,189
30	General Plant	(\$959,694)	(\$25,684)	\$0	\$0	\$0	\$2,029,652	\$157,420,281
31	Intangible Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$26,948,731
32	Total Net Plant Before CWIP	(\$959,694)	(\$12,597,768)	\$0	\$0	\$0	(\$203,770,394)	\$2,868,028,886
33	Construction Work in Progress	\$0	(\$26,808,536)	\$0	\$0	\$0	(\$26,808,536)	\$98,273,163
34	Utility Plant	(\$959,694)	(\$39,406,304)	\$0	\$0	\$0	(\$230,578,930)	\$2,966,302,049
35								
36	Working Capital							
37	Fuel Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$22,519,035
38	Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$38,157,721
39	Prepayments	\$0	\$0	(\$97,418,151)	\$0	\$0	(\$136,693,050)	\$29,304,087
40	Cash Working Capital	\$0	\$0	\$0	(\$2,533,520)	\$0	(\$2,533,520)	(\$48,998,074)
41	Total Working Capital	\$0	\$0	(\$97,418,151)	(\$2,533,520)	\$0	(\$139,226,570)	\$40,982,769
42								
43	Additions and Deductions							
44	Asset Retirement Obligation	\$0	\$0	\$0	\$0	\$0	\$116,000,323	\$0
45	Electric Vehicle Program	\$0	\$0	\$0	\$0	\$0	(\$184,685)	\$0
46	Workers Compensation Deposit	\$0	\$0	\$0	\$0	\$0	\$0	\$78,101
47	Unamortized UMWI Transaction Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$993,451
48	Customer Advances	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,208,000)
49	Other Deferred Credits - Hibbard	\$0	\$0	\$0	\$0	\$0	\$0	(\$339,222)
50	Wind Performance Deposit	\$0	\$0	\$0	\$0	\$0	\$0	(\$150,000)
51	Accumulated Deferred Income Taxes	(\$15,858)	\$538,910	\$33,425,763	\$0	\$0	\$54,552,010	(\$286,123,471)
52	Total Additions and Deductions	(\$15,858)	\$538,910	\$33,425,763	\$0	\$0	\$170,367,648	(\$287,749,141)
53								
54	Total Average Rate Base	(\$975,552)	(\$38,867,394)	(\$63,992,388)	(\$2,533,520)	\$0	(\$199,437,852)	\$2,719,535,677

Line No.	Description	Total Company			Minnesota Jurisdiction		
		Unadjusted Test Year 2024	Adjustments	Proposed Interim Rates 2024	Unadjusted Test Year 2024	Adjustments	Proposed Interim Rates 2024
		(1)	(2)	(3)	(4)	(5)	(6)
1	Operating Revenue						
2	Sales by Rate Class	\$836,016,953	(\$220,796)	\$835,796,157	\$732,345,167	(\$220,796)	\$732,124,371
3	Dual Fuel	\$10,444,883	(\$34,587)	\$10,410,296	\$10,444,883	(\$34,587)	\$10,410,296
4	Intersystem Sales	\$43,949,904	\$0	\$43,949,904	\$37,829,282	\$0	\$37,829,282
5	LP Demand Response	(\$1,562,400)	\$0	(\$1,562,400)	(\$1,562,400)	\$0	(\$1,562,400)
6	Sales for Resale	\$139,514,830	\$0	\$139,514,830	\$121,182,985	\$0	\$121,182,985
7	Total Revenue from Sales	\$1,028,364,170	(\$255,384)	\$1,028,108,786	\$900,239,917	(\$255,384)	\$899,984,534
8	Other Operating Revenue	\$105,117,964	(\$34,024,824)	\$71,093,140	\$89,988,661	(\$30,681,620)	\$59,307,041
9	Total Operating Revenue	\$1,133,482,134	(\$34,280,208)	\$1,099,201,926	\$990,228,578	(\$30,937,003)	\$959,291,575
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	(\$53,712,819)	\$10,763,360	(\$42,949,459)	(\$47,166,222)	\$9,541,934	(\$37,624,288)
14	Hydro Production	(\$5,761,133)	\$0	(\$5,761,133)	(\$5,015,418)	\$0	(\$5,015,418)
15	Wind Production	(\$20,497,197)	\$0	(\$20,497,197)	(\$18,171,175)	\$0	(\$18,171,175)
16	Solar Production	(\$107,924)	\$107,924	\$0	(\$95,677)	\$95,677	\$0
17	Other Power Supply	(\$1,700,940)	\$0	(\$1,700,940)	(\$1,507,917)	\$0	(\$1,507,917)
18	Purchased Power	(\$356,858,507)	\$84,000	(\$356,774,507)	(\$308,579,416)	\$74,468	(\$308,504,949)
19	Fuel	(\$137,790,866)	\$0	(\$137,790,866)	(\$118,376,133)	\$0	(\$118,376,133)
20	Total Production	(\$576,429,386)	\$10,955,284	(\$565,474,102)	(\$498,911,958)	\$9,712,078	(\$489,199,880)
21	Transmission	(\$94,680,165)	\$30,559,724	(\$64,120,441)	(\$78,547,977)	\$25,347,266	(\$53,200,711)
22	Distribution	(\$29,331,683)	\$5,000	(\$29,326,683)	(\$27,747,589)	\$12,541	(\$27,735,048)
23	Customer Accounting	(\$6,936,896)	\$0	(\$6,936,896)	(\$6,877,280)	\$0	(\$6,877,280)
24	Customer Service and Information	(\$2,252,876)	\$444,145	(\$1,808,731)	(\$2,233,942)	\$440,413	(\$1,793,529)
25	Conservation Improvement Program	(\$10,856,578)	(\$1,675,106)	(\$12,531,684)	(\$10,856,578)	(\$1,675,106)	(\$12,531,684)
26	Sales	(\$41,764)	\$17,391	(\$24,373)	(\$41,764)	\$17,391	(\$24,373)
27	Administrative and General	(\$86,940,414)	\$6,540,790	(\$80,399,625)	(\$77,198,397)	\$5,813,919	(\$71,384,478)
28	Charitable Contributions	(\$933,190)	\$675,404	(\$257,786)	(\$830,446)	\$601,051	(\$229,394)
29	Interest on Customer Deposits	(\$2,520,000)	\$0	(\$2,520,000)	(\$2,520,000)	\$0	(\$2,520,000)
30	Total Operation and Maintenance Expenses	(\$810,922,952)	\$47,522,632	(\$763,400,320)	(\$705,765,930)	\$40,269,553	(\$665,496,377)
31	Depreciation Expense	(\$159,367,067)	\$652,300	(\$158,714,767)	(\$141,448,737)	\$601,098	(\$140,847,638)
32	Amortization Expense	(\$10,313,842)	(\$12,374,316)	(\$22,688,158)	(\$9,169,672)	(\$10,969,735)	(\$20,139,407)
33	Taxes Other Than Income Taxes	(\$60,813,965)	\$19,270	(\$60,794,696)	(\$53,045,724)	\$16,936	(\$53,028,788)
34	Income Taxes	(\$15,718,561)	(\$1,628,880)	(\$17,347,441)	(\$13,936,273)	(\$754,552)	(\$14,690,825)
35	Deferred Income Taxes	\$33,262,013	(\$1,795)	\$33,260,218	\$29,317,079	(\$2,299)	\$29,314,780
36	Investment Tax Credit	\$915,552	(\$0)	\$915,552	\$807,589	\$3	\$807,593
37	Total Operating Expenses Before AFUDC	(\$1,022,958,822)	\$34,189,211	(\$988,769,611)	(\$893,241,667)	\$29,161,005	(\$864,080,663)
38							
39	Operating Income Before AFUDC	\$110,523,311	(\$90,997)	\$110,432,315	\$96,986,911	(\$1,775,999)	\$95,210,912
40	Allowance for Funds Used During Construction	\$3,696,987	\$0	\$3,696,987	\$3,198,371	\$40,179	\$3,238,550
41	Total Operating Income	\$114,220,298	(\$90,997)	\$114,129,301	\$100,185,282	(\$1,735,819)	\$98,449,462

The adjustments listed below are used to convert from the Unadjusted Test Year budget operating income to the operating income for Proposed Interim Rates. A bridge schedule from the Unadjusted Test Year budget operating income to the Proposed Interim Rates operating income is provided in Direct Schedule B-7(IR) for Minnesota Jurisdiction and Direct Schedule B-8(IR) for Total Company.

B-7 (IR)
&
B-8 (IR)
Column

Reference

(2)	Advertising Expense	
	Consistent with Commission decision in MP's 2016 rate case, exclude portion of test year budgeted advertising expense that does not qualify for rate recovery based on Commission's Statement of Policy on Advertising.	Turner Direct, V. B. 1.; Vol. 3, Sched. G-1; Vol. 4, Workpaper ADJ-IS-1
(3)	Charitable Contributions	
	Consistent with Commission decision in MP's 2016 rate case, exclude 50 percent of average actual expense for qualified charitable contributions in previous three years. This is consistent with Commission's Statement of Policy on Charitable Contributions and decision in MP's 2016 rate case.	Turner Direct, V. B. 2.; Vol. 3, Sched. G-2; Vol. 4, Workpaper ADJ-IS-2
(4)	Economic Development	
	Exclude 50 percent of 2024 test year Economic and Community Development expense, consistent with Commission decisions in MP's 2008, 2009, 2016 and 2021 rate cases.	Turner Direct, V. B. 3; Vol. 3, Sched. G-5; Vol. 4, Workpaper ADJ-IS-3
(5)	Organizational Dues	
	Excluded non-allowable legislative lobbying dues, in compliance with Commission's Statement of Policy on Organization Dues and treatment in MP's 2016 rate case.	Turner Direct, V. B. 4.; Vol. 3, Sched. G-3; Vol. 4, Workpaper ADJ-IS-4
(6)	Employee Expenses	
	Excluded certain categories of travel and lodging, food and beverage, gift, social club dues, recreation, and entertainment expenses. Excluded lobbying-related expenses that were included in employee expense accounts, beyond the majority of lobbying expenses that are recorded in separate non-regulated expense accounts.	Turner Direct, V. B. 5.; Anderson Direct IV; Vol. 3, Sched. H-1; Vol. 4, Workpaper ADJ-IS-5
(7)	Incentive Compensation	
	Excludes Annual Incentive Plan (AIP) greater than 20 percent of individual base pay, consistent with prior Commission orders. Also excludes Long-Term Incentive Plan (LTIP), Supplemental Executive Retirement Plan (SERP), Executive Deferral Plan, and Legacy Employment Agreements.	Turner Direct, V. B. 6.; Krollman Direct, III. B.; Vol. 4, Workpaper ADJ-IS-6
(8)	Years of Service Awards	
	Exclude Years of Service Awards for Interim Rates consistent with MP's 2021 rate case.	Turner Direct, V. B. 7.; Krollman Direct, IV, B.; Vol. 4, Workpaper ADJ-IS-7
(9)	Investor Relations	
	Excluded 50 percent of investor relations expense, consistent with recent Commission decisions.	Turner Direct, V. B. 8.; Anderson Direct, III. C.; Vol. 4, Workpaper ADJ-IS-8
(10) (11)	Asset Retirement Obligations ("ARO") and Decommissioning	
	Exclude ARO from depreciation, amortization expense as required in MP's 2008 rate case, Docket No. E015/GR-08-415, and include decommissioning expense instead.	Turner Direct, V. B. 9-10.; Vol. 4, Workpaper ADJ-IS-9, ADJ-IS-10.
(12)	Boswell Units 1&2 Regulated Asset	
	Include amortization expense associated with Boswell Units 1 & 2 regulatory asset per MP 2016 rate case decision (Docket No. E015/GR-16-664), with balance amortized through 2022. In MP's 2021 rate case (Docket No. E015/GR-21-335), the final amortization expense was approved to be spread over three years with 2024 being the last year.	Turner Direct, V. B. 11; Vol. 4, Workpaper ADJ-IS-11
(13)	Boswell Unit 3 Environmental Project	
	Remove a portion of Boswell Unit 3 and Common depreciation expense related to 2017, as ordered in MP's 2018 Remaining Life Depreciation Petition (Docket 18-544).	Turner Direct, V. B. 12.; Vol. 4, Workpaper ADJ-IS-12
(14)	EVSE Project	
	Excluding depreciation expense of Electric Vehicle Service Equipment Project ("EVSE Project") capital cost until subsequent rate case (Docket No. E015/M-21-257).	Turner Direct, V. B. 13.; Vol. 4, Workpaper ADJ-IS-13
(15)	Conservation Expense	
	Conservation expense is adjusted to remove the amount in the test year budget and instead include projected test year expenditures based on MP's 2024-2026 Energy Conservation and Optimization ("ECO") Triennial Plan (Docket No. E015/CIP-23-93).	Turner Direct, V. B. 15.; Vol. 4, Workpaper ADJ-IS-15
(16)	Aircraft Hangar	
	Remove depreciation expense for corporate aircraft hangar because MP chose to forego rate recovery of any costs associated with the aircraft.	Turner Direct, V. B. 16.; Vol. 4, Workpaper ADJ-IS-16

(17)	Customer Affordability of Residential Electricity ("CARE") Rider	
	CARE Rider discounts and surcharge collections are accumulated in a tracker and adjusted as necessary between rate cases in a separate docket. Therefore, the Residential class discount and the Affordability Surcharge revenue from all customer classes is removed from retail Sales by Rate Class for cost-of-service purposes.	Turner Direct, V. B. 17.; Vol. 4, Workpaper ADJ-IS-17
(18)	CIP Incentive	
	Remove CIP incentive from rate case revenue because the CIP incentive is intended to provide an incentive to the Company for conservation program performance.	Turner Direct, V. B. 18.; Vol. 4, Workpaper ADJ-IS-18
(19)	CIP Carrying Charge	
	Remove CIP tracker carrying charge from rate case revenue because the CIP tracker provides a return on outstanding tracker balances.	Turner Direct, V. B. 19.; Vol. 4, Workpaper ADJ-IS-19
(20)	CPA Incentive	
	Adjustments for timing of when CIP/CPA revenue is collected through customer billings vs. recorded as revenue on MP's books.	Turner Direct, V. B. 20.; Vol. 4, Workpaper ADJ-IS-20
(21)	CPA	
	Total CPA revenue is removed from rate case because the CPA Rider will continue on customer bills outside of base rates.	Turner Direct, V. B. 21.; Vol. 4, Workpaper ADJ-IS-21
(22)	Conservation Cost Recovery Charge (CCRC)	
	CCRC credit amount for related to CIP-exempt customers included in the test year budget is removed from revenue because the CCRC credit amount is contained in the CIP tracker and corresponding rates are adjusted separately from base rates.	Turner Direct, V. B. 22; Vol. 4, Workpaper ADJ-IS-22
(23)	Continuing Cost Recovery Riders	
	Revenue, Other Operating Revenue, O&M expenses, depreciation expense, and taxes associated with projects in the test year budget that will continue to be recovered in cost recovery riders after this rate case are removed to avoid double recovery.	Turner Direct, V. B. 23.; Shimmin Direct, VI.; Vol. 4, Workpaper ADJ-IS-23
(24)	NOx Allowances	
	Exclude budgeted NOx expenses from Interim Rates.	Turner Direct, V. B. 24.; Pierce Direct, IV. B.; Vol. 4, Workpaper ADJ-IS-24
(25)	Rate Case Expense	
	Test year budgeted retail Rate Case expenses proposed to be amortized over three years.	Turner Direct, V. B. 25.; Vol 4, Workpaper ADJ-IS-25
(26)	THEC Regulated Asset	
	Amortization expense of THEC Regulated Asset as approved in MP's 2021 rate case.	Turner Direct, V. B. 26.; Vol. 4, Workpaper ADJ-IS-26
(27)	EV Program	
	Include first year of two year amortization of Commission approved 2021-2023 deferred program costs beginning with Interim Rates.	Turner Direct, V. B. 27.; Vol. 4, Workpaper ADJ-IS-27
(28)	Interest Synchronization	
	Adjustment for interest expense deduction for income tax purposes to equal the weighted cost of debt multiplied by average rate base. Updated whenever there is a change in rate base, weighted cost of debt, or operating income.	Turner Direct, V. B. 30.; Vol. 4, Workpaper ADJ-IS-30
(29)	Changes in Allocations Due to Adjustments (MN Jurisdictional)	
	Adjustments to account for changes in allocation factors resulting from other adjustments accounted for when bridging from an unadjusted to an adjusted CCOS.	Turner Direct, V. B. 31; Vol. 4, Workpaper ADJ-RB-31

Line No.	Description	Unadjusted Test Year 2024	Advertising Expense	Charitable Contributions	Economic Development	Organizational Dues	Employee Expenses
		(1)	(2)	(3)	(4)	(5)	(6)
1	Operating Revenue						
2	Sales by Rate Class	\$732,345,167	\$0	\$0	\$0	\$0	\$0
3	Dual Fuel	\$10,444,883	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$37,829,282	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	(\$1,562,400)	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$121,182,985	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$900,239,917	\$0	\$0	\$0	\$0	\$0
8	Other Operating Revenue	\$89,988,661	\$0	\$0	\$0	\$0	\$0
9	Total Operating Revenue	\$990,228,578	\$0	\$0	\$0	\$0	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	(\$47,166,222)	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	(\$5,015,418)	\$0	\$0	\$0	\$0	\$0
15	Wind Production	(\$18,171,175)	\$0	\$0	\$0	\$0	\$0
16	Solar Production	(\$95,677)	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	(\$1,507,917)	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	(\$308,579,416)	\$0	\$0	\$0	\$0	\$0
19	Fuel	(\$118,376,133)	\$0	\$0	\$0	\$0	\$0
20	Total Production	(\$498,911,958)	\$0	\$0	\$0	\$0	\$0
21	Transmission	(\$78,547,977)	\$0	\$0	\$0	\$0	\$0
22	Distribution	(\$27,747,589)	\$4,715	\$0	\$0	\$0	\$0
23	Customer Accounting	(\$6,877,280)	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	(\$2,233,942)	\$24,478	\$0	\$135,325	\$0	\$0
25	Conservation Improvement Program	(\$10,856,578)	\$0	\$0	\$0	\$0	\$0
26	Sales	(\$41,764)	\$17,391	\$0	\$0	\$0	\$0
27	Administrative and General	(\$77,198,397)	\$212,580	\$0	\$211,657	\$74,657	\$501,435
28	Charitable Contributions	(\$830,446)	\$0	\$601,017	\$0	\$0	\$0
29	Interest on Customer Deposits	(\$2,520,000)	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	(\$705,765,930)	\$259,164	\$601,017	\$346,982	\$74,657	\$501,435
31	Depreciation Expense	(\$141,448,737)	\$0	\$0	\$0	\$0	\$0
32	Amortization Expense	(\$9,169,672)	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	(\$53,045,724)	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$13,936,273)	(\$74,489)	(\$172,744)	(\$99,730)	(\$21,458)	(\$144,122)
35	Deferred Income Taxes	\$29,317,079	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$807,589	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	(\$893,241,667)	\$184,675	\$428,272	\$247,253	\$53,199	\$357,313
38							
39	Operating Income Before AFUDC	\$96,986,911	\$184,675	\$428,272	\$247,253	\$53,199	\$357,313
40	Allowance for Funds Used During Construction	\$3,198,371	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$100,185,282	\$184,675	\$428,272	\$247,253	\$53,199	\$357,313

Line No.	Description	Incentive Compensation	Years of Service Awards	Investor Relations	Asset Retirement Obligation	Decommissioning	Boswell 1 and 2 Regulated Asset
		(7)	(8)	(9)	(10)	(11)	(12)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	\$0	\$0
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	\$0	\$0
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
9	Total Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$0	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$0	\$0
21	Transmission	\$0	\$0	\$0	\$0	\$0	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$0	\$0
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$5,092,805	\$30,028	\$155,439	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$5,092,805	\$30,028	\$155,439	\$0	\$0	\$0
31	Depreciation Expense	\$0	\$0	\$0	\$274,040	(\$548,976)	\$0
32	Amortization Expense	\$0	\$0	\$0	\$611,482	\$0	(\$1,185,751)
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$1,463,774)	(\$8,631)	(\$44,676)	(\$254,517)	\$157,787	\$340,808
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$3,629,031	\$21,397	\$110,763	\$631,005	(\$391,189)	(\$844,942)
38							
39	Operating Income Before AFUDC	\$3,629,031	\$21,397	\$110,763	\$631,005	(\$391,189)	(\$844,942)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$3,629,031	\$21,397	\$110,763	\$631,005	(\$391,189)	(\$844,942)

Line No.	Description	Boswell 3 Environmental Project	EVSE Project	Conservation Expense	Aircraft Hangar	CARE	CIP Incentive
		(13)	(14)	(15)	(16)	(17)	(18)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	(\$0)	\$0
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	(\$0)	\$0
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	(\$1,683,939)
9	Total Operating Revenue	\$0	\$0	\$0	\$0	(\$0)	(\$1,683,939)
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$0	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$0	\$0
21	Transmission	\$0	\$0	\$0	\$0	\$0	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$0	\$0
25	Conservation Improvement Program	\$0	\$0	(\$1,675,106)	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$0	\$0	\$0	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$0	\$0	(\$1,675,106)	\$0	\$0	\$0
31	Depreciation Expense	\$522,471	\$223,820	\$0	\$56,872	\$0	\$0
32	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$150,169)	(\$64,330)	\$481,459	(\$16,346)	\$0	\$483,998
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$372,303	\$159,489	(\$1,193,647)	\$40,526	\$0	\$483,998
38							
39	Operating Income Before AFUDC	\$372,303	\$159,489	(\$1,193,647)	\$40,526	(\$0)	(\$1,199,941)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$372,303	\$159,489	(\$1,193,647)	\$40,526	(\$0)	(\$1,199,941)

Line No.	Description	CIP Carrying Charge	CPA Incentive	CPA	CCRC	Continuing Cost Recovery Riders	NOx Allowances
		(19)	(20)	(21)	(22)	(23)	(24)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$1,941,521	(\$1,985,352)	\$900,576	(\$1,077,539)	\$0
3	Dual Fuel	\$0	\$77,654	(\$84,858)	\$0	(\$27,383)	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$2,019,175	(\$2,070,210)	\$900,576	(\$1,104,923)	\$0
8	Other Operating Revenue	(\$71,784)	\$0	\$0	\$0	(\$32,269,101)	\$0
9	Total Operating Revenue	(\$71,784)	\$2,019,175	(\$2,070,210)	\$900,576	(\$33,374,024)	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$9,428,844
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$107,924	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$84,000	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$191,924	\$9,428,844
21	Transmission	\$0	\$0	\$0	\$0	\$30,559,724	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$282,988	\$0
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$0	\$0	\$0	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$0	\$0	\$0	\$0	\$31,034,636	\$9,428,844
31	Depreciation Expense	\$0	\$0	\$0	\$0	\$72,882	\$0
32	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$19,270	\$0
34	Income Taxes	\$20,632	(\$580,351)	\$595,020	(\$258,844)	\$645,901	(\$2,710,038)
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	(\$1,795)	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$20,632	(\$580,351)	\$595,020	(\$258,844)	\$31,770,893	\$6,718,806
38							
39	Operating Income Before AFUDC	(\$51,152)	\$1,438,824	(\$1,475,190)	\$641,732	(\$1,603,131)	\$6,718,806
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	(\$51,152)	\$1,438,824	(\$1,475,190)	\$641,732	(\$1,603,131)	\$6,718,806

Line No.	Description	Rate Case Expense	THEC	EV Program	Interest Synchronization	Changes in Allocations due to Adjustments	Total Adjustments
		(25)	(26)	(27)	(28)	(29)	(30)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	(\$1)	(\$220,796)
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	(\$34,587)
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	(\$1)	(\$255,384)
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$3,343,204	(\$30,681,620)
9	Total Operating Revenue	\$0	\$0	\$0	\$0	\$3,343,203	(\$30,937,003)
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$113,090	\$9,541,934
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	(\$12,247)	\$95,677
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	(\$9,532)	\$74,468
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$91,310	\$9,712,078
21	Transmission	\$0	\$0	\$0	\$0	(\$5,212,458)	\$25,347,266
22	Distribution	\$0	\$0	\$0	\$0	\$7,826	\$12,541
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	(\$2,378)	\$440,413
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	(\$1,675,106)
26	Sales	\$0	\$0	\$0	\$0	\$0	\$17,391
27	Administrative and General	(\$310,509)	\$0	(\$193,616)	\$0	\$39,442	\$5,813,919
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$35	\$601,051
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	(\$310,509)	\$0	(\$193,616)	\$0	(\$5,076,223)	\$40,269,553
31	Depreciation Expense	\$0	\$0	\$0	\$0	(\$11)	\$601,098
32	Amortization Expense	\$0	(\$10,395,810)	\$0	\$0	\$344	(\$10,969,735)
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	(\$2,333)	\$16,936
34	Income Taxes	\$89,247	\$2,987,964	\$55,649	(\$1,047,567)	\$498,770	(\$754,552)
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	(\$504)	(\$2,299)
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$3	\$3
37	Total Operating Expenses Before AFUDC	(\$221,263)	(\$7,407,846)	(\$137,967)	(\$1,047,567)	(\$4,579,954)	\$29,161,005
38							
39	Operating Income Before AFUDC	(\$221,263)	(\$7,407,846)	(\$137,967)	(\$1,047,567)	(\$1,236,751)	(\$1,775,999)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$40,179	\$40,179
41	Total Operating Income	(\$221,263)	(\$7,407,846)	(\$137,967)	(\$1,047,567)	(\$1,196,572)	(\$1,735,819)

Line No.	Description	Proposed Interim Rates 2024
		(31)
1	Operating Revenue	
2	Sales by Rate Class	\$732,124,371
3	Dual Fuel	\$10,410,296
4	Intersystem Sales	\$37,829,282
5	LP Demand Response	(\$1,562,400)
6	Sales for Resale	\$121,182,985
7	Total Revenue from Sales	\$899,984,534
8	Other Operating Revenue	\$59,307,041
9	Total Operating Revenue	\$959,291,575
10		
11	Operating Expenses Before AFUDC	
12	Operation and Maintenance Expenses	
13	Steam Production	(\$37,624,288)
14	Hydro Production	(\$5,015,418)
15	Wind Production	(\$18,171,175)
16	Solar Production	\$0
17	Other Power Supply	(\$1,507,917)
18	Purchased Power	(\$308,504,949)
19	Fuel	(\$118,376,133)
20	Total Production	(\$489,199,880)
21	Transmission	(\$53,200,711)
22	Distribution	(\$27,735,048)
23	Customer Accounting	(\$6,877,280)
24	Customer Service and Information	(\$1,793,529)
25	Conservation Improvement Program	(\$12,531,684)
26	Sales	(\$24,373)
27	Administrative and General	(\$71,384,478)
28	Charitable Contributions	(\$229,394)
29	Interest on Customer Deposits	(\$2,520,000)
30	Total Operation and Maintenance Expenses	(\$665,496,377)
31	Depreciation Expense	(\$140,847,638)
32	Amortization Expense	(\$20,139,407)
33	Taxes Other Than Income Taxes	(\$53,028,788)
34	Income Taxes	(\$14,690,825)
35	Deferred Income Taxes	\$29,314,780
36	Investment Tax Credit	\$807,593
37	Total Operating Expenses Before AFUDC	(\$864,080,663)
38		
39	Operating Income Before AFUDC	\$95,210,912
40	Allowance for Funds Used During Construction	\$3,238,550
41	Total Operating Income	\$98,449,462

Line No.	Description	Unadjusted Test Year 2024	Advertising Expense	Charitable Contributions	Economic Development	Organizational Dues	Employee Expenses
		(1)	(2)	(3)	(4)	(5)	(6)
1	Operating Revenue						
2	Sales by Rate Class	\$836,016,953	\$0	\$0	\$0	\$0	\$0
3	Dual Fuel	\$10,444,883	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$43,949,904	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	(\$1,562,400)	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$139,514,830	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$1,028,364,170	\$0	\$0	\$0	\$0	\$0
8	Other Operating Revenue	\$105,117,964	\$0	\$0	\$0	\$0	\$0
9	Total Operating Revenue	\$1,133,482,134	\$0	\$0	\$0	\$0	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	(\$53,712,819)	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	(\$5,761,133)	\$0	\$0	\$0	\$0	\$0
15	Wind Production	(\$20,497,197)	\$0	\$0	\$0	\$0	\$0
16	Solar Production	(\$107,924)	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	(\$1,700,940)	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	(\$356,858,507)	\$0	\$0	\$0	\$0	\$0
19	Fuel	(\$137,790,866)	\$0	\$0	\$0	\$0	\$0
20	Total Production	(\$576,429,386)	\$0	\$0	\$0	\$0	\$0
21	Transmission	(\$94,680,165)	\$0	\$0	\$0	\$0	\$0
22	Distribution	(\$29,331,683)	\$5,000	\$0	\$0	\$0	\$0
23	Customer Accounting	(\$6,936,896)	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	(\$2,252,876)	\$24,685	\$0	\$136,472	\$0	\$0
25	Conservation Improvement Program	(\$10,856,578)	\$0	\$0	\$0	\$0	\$0
26	Sales	(\$41,764)	\$17,391	\$0	\$0	\$0	\$0
27	Administrative and General	(\$86,940,414)	\$238,891	\$0	\$237,854	\$83,897	\$563,497
28	Charitable Contributions	(\$933,190)	\$0	\$675,404	\$0	\$0	\$0
29	Interest on Customer Deposits	(\$2,520,000)	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	(\$810,922,952)	\$285,967	\$675,404	\$374,326	\$83,897	\$563,497
31	Depreciation Expense	(\$159,367,067)	\$0	\$0	\$0	\$0	\$0
32	Amortization Expense	(\$10,313,842)	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	(\$60,813,965)	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$15,718,561)	(\$82,193)	(\$194,125)	(\$107,589)	(\$24,114)	(\$161,960)
35	Deferred Income Taxes	\$33,262,013	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$915,552	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	(\$1,022,958,822)	\$203,775	\$481,279	\$266,737	\$59,784	\$401,537
38							
39	Operating Income Before AFUDC	\$110,523,311	\$203,775	\$481,279	\$266,737	\$59,784	\$401,537
40	Allowance for Funds Used During Construction	\$3,696,987	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$114,220,298	\$203,775	\$481,279	\$266,737	\$59,784	\$401,537

Line No.	Description	Incentive Compensation	Years of Service Awards	Investor Relations	Asset Retirement Obligation	Decommissioning	Boswell 1 and 2 Regulated Asset
		(7)	(8)	(9)	(10)	(11)	(12)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	\$0	\$0
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	\$0	\$0
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
9	Total Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$0	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$0	\$0
21	Transmission	\$0	\$0	\$0	\$0	\$0	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$0	\$0
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$5,723,136	\$33,744	\$174,678	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$5,723,136	\$33,744	\$174,678	\$0	\$0	\$0
31	Depreciation Expense	\$0	\$0	\$0	\$309,119	(\$619,248)	\$0
32	Amortization Expense	\$0	\$0	\$0	\$689,755	\$0	(\$1,337,534)
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$1,644,944)	(\$9,699)	(\$50,206)	(\$287,096)	\$177,984	\$384,434
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$4,078,192	\$24,045	\$124,472	\$711,778	(\$441,264)	(\$953,100)
38							
39	Operating Income Before AFUDC	\$4,078,192	\$24,045	\$124,472	\$711,778	(\$441,264)	(\$953,100)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$4,078,192	\$24,045	\$124,472	\$711,778	(\$441,264)	(\$953,100)

Line No.	Description	Boswell 3 Environmental Project	EVSE Project	Conservation Expense	Aircraft Hangar	CARE	CIP Incentive
		(13)	(14)	(15)	(16)	(17)	(18)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	(\$0)	\$0
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	(\$0)	\$0
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	(\$1,683,939)
9	Total Operating Revenue	\$0	\$0	\$0	\$0	(\$0)	(\$1,683,939)
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$0
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$0	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$0	\$0
21	Transmission	\$0	\$0	\$0	\$0	\$0	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$0	\$0
25	Conservation Improvement Program	\$0	\$0	(\$1,675,106)	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$0	\$0	\$0	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$0	\$0	(\$1,675,106)	\$0	\$0	\$0
31	Depreciation Expense	\$589,351	\$236,285	\$0	\$63,910	\$0	\$0
32	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
34	Income Taxes	(\$169,391)	(\$67,913)	\$481,459	(\$18,369)	\$0	\$483,998
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$419,960	\$168,372	(\$1,193,647)	\$45,541	\$0	\$483,998
38							
39	Operating Income Before AFUDC	\$419,960	\$168,372	(\$1,193,647)	\$45,541	(\$0)	(\$1,199,941)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	\$419,960	\$168,372	(\$1,193,647)	\$45,541	(\$0)	(\$1,199,941)

Line No.	Description	CIP Carrying Charge	CPA Incentive	CPA	CCRC	Continuing Cost Recovery Riders	NOx Allowances
		(19)	(20)	(21)	(22)	(23)	(24)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$1,941,521	(\$1,985,352)	\$900,576	(\$1,077,539)	\$0
3	Dual Fuel	\$0	\$77,654	(\$84,858)	\$0	(\$27,383)	\$0
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$2,019,175	(\$2,070,210)	\$900,576	(\$1,104,923)	\$0
8	Other Operating Revenue	(\$71,784)	\$0	\$0	\$0	(\$32,269,101)	\$0
9	Total Operating Revenue	(\$71,784)	\$2,019,175	(\$2,070,210)	\$900,576	(\$33,374,024)	\$0
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$10,763,360
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$107,924	\$0
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$84,000	\$0
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$191,924	\$10,763,360
21	Transmission	\$0	\$0	\$0	\$0	\$30,559,724	\$0
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$0
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$282,988	\$0
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	\$0
26	Sales	\$0	\$0	\$0	\$0	\$0	\$0
27	Administrative and General	\$0	\$0	\$0	\$0	\$0	\$0
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$0
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	\$0	\$0	\$0	\$0	\$31,034,636	\$10,763,360
31	Depreciation Expense	\$0	\$0	\$0	\$0	\$72,882	\$0
32	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$19,270	\$0
34	Income Taxes	\$20,632	(\$580,351)	\$595,020	(\$258,844)	\$645,900	(\$3,093,605)
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	(\$1,795)	\$0
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	\$20,632	(\$580,351)	\$595,020	(\$258,844)	\$31,770,893	\$7,669,755
38							
39	Operating Income Before AFUDC	(\$51,152)	\$1,438,824	(\$1,475,190)	\$641,732	(\$1,603,131)	\$7,669,755
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	(\$51,152)	\$1,438,824	(\$1,475,190)	\$641,732	(\$1,603,131)	\$7,669,755

Line No.	Description	Rate Case Expense	THEC	EV Program	Interest Synchronization	Changes in Allocations due to Adjustments	Total Adjustments
		(25)	(26)	(27)	(28)	(29)	(30)
1	Operating Revenue						
2	Sales by Rate Class	\$0	\$0	\$0	\$0	\$0	(\$220,795)
3	Dual Fuel	\$0	\$0	\$0	\$0	\$0	(\$34,587)
4	Intersystem Sales	\$0	\$0	\$0	\$0	\$0	\$0
5	LP Demand Response	\$0	\$0	\$0	\$0	\$0	\$0
6	Sales for Resale	\$0	\$0	\$0	\$0	\$0	\$0
7	Total Revenue from Sales	\$0	\$0	\$0	\$0	\$0	(\$255,383)
8	Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	(\$34,024,824)
9	Total Operating Revenue	\$0	\$0	\$0	\$0	\$0	(\$34,280,206)
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	\$0	\$0	\$0	\$0	\$0	\$10,763,360
14	Hydro Production	\$0	\$0	\$0	\$0	\$0	\$0
15	Wind Production	\$0	\$0	\$0	\$0	\$0	\$0
16	Solar Production	\$0	\$0	\$0	\$0	\$0	\$107,924
17	Other Power Supply	\$0	\$0	\$0	\$0	\$0	\$0
18	Purchased Power	\$0	\$0	\$0	\$0	\$0	\$84,000
19	Fuel	\$0	\$0	\$0	\$0	\$0	\$0
20	Total Production	\$0	\$0	\$0	\$0	\$0	\$10,955,284
21	Transmission	\$0	\$0	\$0	\$0	\$0	\$30,559,724
22	Distribution	\$0	\$0	\$0	\$0	\$0	\$5,000
23	Customer Accounting	\$0	\$0	\$0	\$0	\$0	\$0
24	Customer Service and Information	\$0	\$0	\$0	\$0	\$0	\$444,145
25	Conservation Improvement Program	\$0	\$0	\$0	\$0	\$0	(\$1,675,106)
26	Sales	\$0	\$0	\$0	\$0	\$0	\$17,391
27	Administrative and General	(\$310,509)	\$0	(\$204,399)	\$0	\$0	\$6,540,788
28	Charitable Contributions	\$0	\$0	\$0	\$0	\$0	\$675,404
29	Interest on Customer Deposits	\$0	\$0	\$0	\$0	\$0	\$0
30	Total Operation and Maintenance Expenses	(\$310,509)	\$0	(\$204,399)	\$0	\$0	\$47,522,631
31	Depreciation Expense	\$0	\$0	\$0	\$0	\$0	\$652,300
32	Amortization Expense	\$0	(\$11,726,537)	\$0	\$0	\$0	(\$12,374,316)
33	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$19,270
34	Income Taxes	\$89,247	\$3,370,441	\$58,748	(\$1,186,345)	\$0	(\$1,628,880)
35	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0	(\$1,795)
36	Investment Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0
37	Total Operating Expenses Before AFUDC	(\$221,263)	(\$8,356,096)	(\$145,651)	(\$1,186,345)	\$0	\$34,189,209
38							
39	Operating Income Before AFUDC	(\$221,263)	(\$8,356,096)	(\$145,651)	(\$1,186,345)	\$0	(\$90,997)
40	Allowance for Funds Used During Construction	\$0	\$0	\$0	\$0	\$0	\$0
41	Total Operating Income	(\$221,263)	(\$8,356,096)	(\$145,651)	(\$1,186,345)	\$0	(\$90,997)

Line No.	Description	Proposed Interim Rates 2024
		(31)
1	Operating Revenue	
2	Sales by Rate Class	\$835,796,158
3	Dual Fuel	\$10,410,296
4	Intersystem Sales	\$43,949,904
5	LP Demand Response	(\$1,562,400)
6	Sales for Resale	\$139,514,830
7	Total Revenue from Sales	\$1,028,108,787
8	Other Operating Revenue	\$71,093,140
9	Total Operating Revenue	\$1,099,201,927
10		
11	Operating Expenses Before AFUDC	
12	Operation and Maintenance Expenses	
13	Steam Production	(\$42,949,459)
14	Hydro Production	(\$5,761,133)
15	Wind Production	(\$20,497,197)
16	Solar Production	\$0
17	Other Power Supply	(\$1,700,940)
18	Purchased Power	(\$356,774,507)
19	Fuel	(\$137,790,866)
20	Total Production	(\$565,474,102)
21	Transmission	(\$64,120,442)
22	Distribution	(\$29,326,683)
23	Customer Accounting	(\$6,936,896)
24	Customer Service and Information	(\$1,808,731)
25	Conservation Improvement Program	(\$12,531,684)
26	Sales	(\$24,373)
27	Administrative and General	(\$80,399,626)
28	Charitable Contributions	(\$257,786)
29	Interest on Customer Deposits	(\$2,520,000)
30	Total Operation and Maintenance Expenses	(\$763,400,322)
31	Depreciation Expense	(\$158,714,767)
32	Amortization Expense	(\$22,688,158)
33	Taxes Other Than Income Taxes	(\$60,794,696)
34	Income Taxes	(\$17,347,441)
35	Deferred Income Taxes	\$33,260,218
36	Investment Tax Credit	\$915,552
37	Total Operating Expenses Before AFUDC	(\$988,769,613)
38		
39	Operating Income Before AFUDC	\$110,432,314
40	Allowance for Funds Used During Construction	\$3,696,987
41	Total Operating Income	\$114,129,300

Line No.	Description	Calculation Note	Proposed Interim Rates 2024	
			Total Company	Minnesota Jurisdiction
		(1)	(2)	(3)
1	Average Rate Base		\$2,719,535,667	\$2,388,175,335
2	Requested Weighted Cost of Debt		2.0696%	2.0696%
3	Interest	Line 1 * Line 2	\$56,283,510	\$49,425,677
4	Interest in Unadjusted Test Year		\$60,411,076	\$53,070,402
5	Interest Deduction Adjustment	Line 4 - Line 3	\$4,127,566	\$3,644,726
6				
7	Minnesota State Income Tax Rate		9.80%	9.80%
8	State Tax Interest Adjustment	Line 5 * Line 7 * - 1	(\$404,501)	(\$357,183)
9				
10	Effective Federal Income Tax Rate		18.94%	18.94%
11	Federal Tax Interest Adjustment	Line 5 * Line 10 * - 1	(\$781,844)	(\$690,384)
12				
13	Total Interest Synchronization Adjustment	Line 8 + Line 11	(\$1,186,345)	(\$1,047,567)

Line No.	Description	Calculation Note	Minnesota Jurisdiction	
			Unadjusted Test Year 2024	Proposed Interim Rates 2024
		(1)	(2)	(3)
1	Average Rate Base		\$2,564,283,068	\$2,388,175,335
2	Operating Income Before AFUDC		\$96,986,911	\$95,210,912
3	AFUDC		\$3,198,371	\$3,238,550
4	Operating Income	Line 2 + Line 3	\$100,185,282	\$98,449,462
5	Rate of Return	Line 4 / Line 1	3.9070%	4.1224%
6	Required Rate of Return		7.5286%	7.1841%
7	Required Operating Income	Line 1 * Line 6	\$193,054,615	\$171,568,904
8	Operating Income Deficiency	Line 7 - Line 4	\$92,869,333	\$73,119,442
9	Gross Revenue Conversion Factor		1.40335	1.40335
10	Revenue Deficiency	Line 8 * Line 9	\$130,328,291	\$102,612,257
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$742,790,050	\$742,534,666
12	Required Percent Increase	Line 10 / Line 11	17.55%	13.82%

Interim and Final Rate Increases Net of Riders

Rate change compared to Dec 2024		
	Interim	Final
Base rates	13.82%	17.17%
TCR offset: GNTL to base rates	-2.2%	-2.2%
RRR offset: PTCs to base rates 1/	-3.0%	-3.0%
Net bill impact	8.6%	12.0%

Revenue Deficiency (\$ millions)		
	Interim	Final
Base rates	\$102.6	\$127.9
TCR offset: GNTL to base rates	(16.4)	(16.4) 2/
RRR offset: PTCs to base rates 1/	(22.4)	(22.4) 3/
Net deficiency	63.8	89.1

1/ Customers will be credited with the amount of PTCs transferring to base rates effective January 1, 2024, but will not see a reduction in the RRR line on thier bills until about October 2024, which is when customers will have paid for carryover PTC amounts from 2023 in the Renewable Resource Rider and the billing factors are expected to go to zero.

2/ Refer to MP Exhibit ____ (Shimmin) Direct Schedule 3, page 2.

3/ Refer to MP Exhibit ____ (Shimmin) Direct Schedule 3, page 3.

Impact of Resetting PTC in Base Rates

Line	Interim Rates 2024
2024 Budget MWh	731,741
1 2024 Budget MWh	731,741
2 Rate (\$/MWh)	29.00
3 2024 PTC	21,220,489
4 2022 Test Year PTC	39,924,985
5 PTC Over/(Under) Test Year vs Test Year	(18,704,496)
6 Deferred Tax Expense	18,704,496
7 Tax Gross Up	71.258%
8 Revenue Requirement Impact	26,248,977
9 Increase/(Decrease) to Avg Mo. Rate Base	(9,352,248)
10 Annual Rate of Return	7.1841%
11 Return on Rate Base	(671,875)
12 Tax Gross Up	71.258%
13 Rate Base Rev Req Impact	(942,876)
14 Total Rev Req Impact	25,306,101
15 MN Jurisdictional Allocator 2024	0.88652
16 MN Jurisdictional Impact of Resetting PTCs	22,434,364

Minnesota Power
Docket No. E015/GR-23-155

MN Jurisdictional Project Revenue Requirements (\$)

Estimated MH Payments (\$)

Net 2024 Revenue Requirements to Moving Base Rates (at current ROR and with 2021 allocators)

\$ 16,408,658

Line No.	Description	Minnesota Jurisdiction		
		Results of Most Recent Rate Case E015/GR-21-335	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)
1	Plant In Service			
2	Steam	\$1,234,595,499	\$1,321,884,652	\$87,289,153
3	Hydro	\$189,315,873	\$202,574,048	\$13,258,175
4	Wind	\$698,664,705	\$705,164,820	\$6,500,115
5	Solar	\$0	\$0	\$0
6	Transmission	\$698,190,566	\$1,002,876,611	\$304,686,044
7	Distribution	\$666,412,703	\$742,530,696	\$76,117,992
8	General Plant	\$205,374,793	\$243,969,438	\$38,594,645
9	Intangible Plant	\$59,817,789	\$73,701,383	\$13,883,594
10	Total Plant In Service	\$3,752,371,930	\$4,292,701,648	\$540,329,718
11				
12	Accumulated Depreciation and Amortization			
13	Steam	(\$588,165,415)	(\$727,610,089)	(\$139,444,674)
14	Hydro	(\$40,673,034)	(\$48,573,219)	(\$7,900,185)
15	Wind	(\$173,545,172)	(\$209,840,004)	(\$36,294,831)
16	Solar	\$0	\$0	\$0
17	Transmission	(\$243,459,726)	(\$289,359,999)	(\$45,900,273)
18	Distribution	(\$318,620,452)	(\$344,861,314)	(\$26,240,862)
19	General Plant	(\$95,644,060)	(\$103,887,004)	(\$8,242,943)
20	Intangible Plant	(\$35,022,935)	(\$49,720,712)	(\$14,697,777)
21	Total Accumulated Depreciation and Amortization	(\$1,495,130,796)	(\$1,773,852,340)	(\$278,721,544)
22				
23	Net Plant Before CWIP			
24	Steam	\$646,430,084	\$594,274,563	(\$52,155,521)
25	Hydro	\$148,642,839	\$154,000,830	\$5,357,990
26	Wind	\$525,119,533	\$495,324,816	(\$29,794,716)
27	Solar	\$0	\$0	\$0
28	Transmission	\$454,730,840	\$713,516,612	\$258,785,772
29	Distribution	\$347,792,251	\$397,669,382	\$49,877,131
30	General Plant	\$109,730,733	\$140,082,434	\$30,351,701
31	Intangible Plant	\$24,794,854	\$23,980,671	(\$814,183)
32	Total Net Plant Before CWIP	\$2,257,241,134	\$2,518,849,307	\$261,608,174
33	Construction Work in Progress	\$35,738,582	\$86,087,022	\$50,348,440
34	Utility Plant	\$2,292,979,716	\$2,604,936,330	\$311,956,614
35				
36	Working Capital			
37	Fuel Inventory	\$14,667,607	\$19,346,103	\$4,678,496
38	Materials and Supplies	\$24,530,437	\$33,635,955	\$9,105,518
39	Prepayments	\$24,188,586	\$25,510,545	\$1,321,959
40	Cash Working Capital	(\$39,339,364)	(\$42,878,150)	(\$3,538,786)
41	Total Working Capital	\$24,047,266	\$35,614,453	\$11,567,187
42				
43	Additions and Deductions			
44	Asset Retirement Obligation	\$0	\$0	\$0
45	Electric Vehicle Program	\$0	\$0	\$0
46	Workers Compensation Deposit	\$71,132	\$69,499	(\$1,633)
47	Unamortized WPPI Transmission Amortization	(\$425,115)	\$0	\$425,115
48	Unamortized UMWI Transaction Cost	\$986,869	\$824,266	(\$162,603)
49	Unamortized Boswell 1 and 2	(\$4,876,401)	\$0	\$4,876,401
50	Customer Advances	(\$1,762,180)	(\$2,208,000)	(\$445,820)
51	Other Deferred Credits - Hibbard	(\$297,223)	(\$300,727)	(\$3,504)
52	Wind Performance Deposit	(\$131,428)	(\$132,978)	(\$1,550)
53	Accumulated Deferred Income Taxes	(\$281,506,597)	(\$250,627,508)	\$30,879,090
54	Total Additions and Deductions	(\$287,940,943)	(\$252,375,448)	\$35,565,496
55				
56	Total Average Rate Base	\$2,029,086,038	\$2,388,175,335	\$359,089,297

General Description

The Company has identified those significant events affecting changes in the major categories of Rate Base since the last Order in Docket No. **E-015/GR-21-335**. This summary explains changes shown in Direct Schedule C-1 (IR).

Item	Description and Basis
Steam Production Plant	The increase is primarily due to regularly-scheduled, necessary, critical turbine refurbishments on Boswell Unit 3, boiler air heater overhaul, cooling tower stack refurbishment, and boiler superheat pendant refurbishment on Boswell Unit 4, projects to reduce wastewater streams and Combustion Coal Residuals (“CCR”) at the Boswell facility, and on-going capital investment.
Hydro Production Plant	The increase is primarily due to on-going capital investment and upgrades to hydro generation units such as gate, crane, and concrete replacement and refurbishment projects.
Wind Production Plant	The increase is primarily due to on-going capital investment and upgrades to wind generation units such as blade and gearbox replacements.
Transmission Plant	The increase is primarily due to strategic capital investments related to the on-going transition of the Company’s baseload coal generation fleet as well as on-going capital investments and upgrades to improve reliability and power quality.
Distribution Plant	The increase is primarily due to on-going capital investments and upgrades to improve reliability and power quality.
General Plant	The increase is primarily due to on-going capital investment.
Intangible Plant	The increase is primarily due to on-going capital investments, primarily software, to improve safety, security, and reliability.
Accumulated Depreciation and Amortization	Accumulated depreciation and amortization reserves increased primarily due to the additions of plant.

Item	Description and Basis
Construction Work In Progress	The increase is primarily due to changes in the level of capital investment from year to year.
Working Capital	<p>Fuel inventory increases are primarily due to higher costs of coal supply and delivery experienced over the last several years.</p> <p>Material and supplies increased primarily due to cost increases reflecting inflation and supply chain disruption experienced over the last several years. These inflationary pressures and supply chain constraints have resulted in increased prices for materials as well as lead times for procurement.</p> <p>Prepayments increased primarily due to higher prepaid insurance reflecting increased insurance premiums as well as increased costs for other prepaid items, partially offset by amortization of the contract prepayment with Silver Bay Power.</p>
Unamortized Boswell 1 & 2	The increase is due to the regulated asset balance for Boswell Units 1 and 2 being included in the most recent rate case but not proposed interim rates. Continued cost recovery ended in 2022 for Boswell Units 1 and 2. In 2022 the regulated asset for Boswell Units 1 and 2 was a credit balance so the adjustment reduced rate base.
Accumulated Deferred Income Taxes	The increase is primarily due to book depreciation in excess of tax depreciation

Line No.	Description	Minnesota Jurisdiction		
		Results of Most Recent Rate Case E015/GR-21-335	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)
1	Operating Revenue			
2	Sales by Rate Class	\$648,038,402	\$732,124,371	\$84,085,968
3	Dual Fuel	\$10,245,092	\$10,410,296	\$165,204
4	Intersystem Sales	\$25,960,911	\$37,829,282	\$11,868,372
5	LP Demand Response	(\$1,922,400)	(\$1,562,400)	\$360,000
6	Sales for Resale	\$99,436,412	\$121,182,985	\$21,746,574
7	Total Revenue from Sales	\$781,758,416	\$899,984,534	\$118,226,117
8	Other Operating Revenue	\$34,532,417	\$59,307,041	\$24,774,624
9	Total Operating Revenue	\$816,290,833	\$959,291,575	\$143,000,742
10				
11	Operating Expenses Before AFUDC			
12	Operation and Maintenance Expenses			
13	Steam Production	(\$30,441,640)	(\$37,624,288)	(\$7,182,648)
14	Hydro Production	(\$4,449,944)	(\$5,015,418)	(\$565,474)
15	Wind Production	(\$15,364,379)	(\$18,171,175)	(\$2,806,796)
16	Solar Production	\$0	\$0	\$0
17	Other Power Supply	(\$1,588,610)	(\$1,507,917)	\$80,692
18	Purchased Power	(\$287,176,900)	(\$308,504,949)	(\$21,328,048)
19	Fuel	(\$80,834,527)	(\$118,376,133)	(\$37,541,606)
20	Total Production	(\$419,856,000)	(\$489,199,880)	(\$69,343,880)
21	Transmission	(\$47,458,993)	(\$53,200,711)	(\$5,741,718)
22	Distribution	(\$27,110,277)	(\$27,735,048)	(\$624,771)
23	Customer Accounting	(\$5,905,019)	(\$6,877,280)	(\$972,261)
24	Customer Service and Information	(\$1,515,635)	(\$1,793,529)	(\$277,894)
25	Conservation Improvement Program	(\$10,714,344)	(\$12,531,684)	(\$1,817,340)
26	Sales	(\$1,856)	(\$24,373)	(\$22,516)
27	Administrative and General	(\$59,780,758)	(\$71,384,478)	(\$11,603,721)
28	Charitable Contributions	(\$241,447)	(\$229,394)	\$12,052
29	Interest on Customer Deposits	(\$1,248,000)	(\$2,520,000)	(\$1,272,000)
30	Total Operation and Maintenance Expenses	(\$573,832,329)	(\$665,496,377)	(\$91,664,048)
31	Depreciation Expense	(\$131,879,134)	(\$140,847,638)	(\$8,968,505)
32	Amortization Expense	(\$6,799,674)	(\$20,139,407)	(\$13,339,733)
33	Taxes Other Than Income Taxes	(\$37,152,032)	(\$53,028,788)	(\$15,876,756)
34	Income Taxes	(\$12,077,023)	(\$14,690,825)	(\$2,613,802)
35	Deferred Income Taxes	\$45,115,356	\$29,314,780	(\$15,800,576)
36	Investment Tax Credit	\$444,377	\$807,593	\$363,215
37	Total Operating Expenses Before AFUDC	(\$716,180,458)	(\$864,080,663)	(\$147,900,205)
38				
39	Operating Income Before AFUDC	\$100,110,375	\$95,210,912	(\$4,899,463)
40	Allowance for Funds Used During Construction	\$2,482,734	\$3,238,550	\$755,816
41	Total Operating Income	\$102,593,109	\$98,449,462	(\$4,143,647)

Description of Changes in Operating Income
2024 Test Year compared to Approved 2022 Test Year

In this Volume 1, Direct Schedule C-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown on Volume 1, Direct Schedule C-3 (IR).

Item	Description and Basis
<u>Operating Revenue:</u>	The comparison of revenue by rate class is based on the approved 2022 test year revenue in Docket No. E015/GR-21-335 (2022 test year) as compared to the interim rates revenue in the present docket (2024 test year).
Sales by Rate Class	Sales by Rate Class revenue increased from the 2022 test year to the 2024 test year due to the implementation of a 9.39 percent rate increase effective October 1, 2023, and recovery of higher fuel adjustment clause costs in the 2024 test year. These increases were partially offset by a 3 percent decrease in customer load in the 2024 test year.
Dual Fuel	Dual Fuel revenue increased from the 2022 test year to the 2024 test year due to recovery of higher fuel adjustment clause costs in the 2024 test year. This increase was partially offset by a 5 percent decrease in customer load in the 2024 test year and the implementation of an overall 0.25 percent rate decrease effective October 1, 2023.
Intersystem Sales	Intersystem Sales revenue increased from the 2022 test year to the 2024 test year primarily due to increased sales to Silver Bay Power Corporation and higher pricing on intersystem sales in the 2024 test year due to higher fuel and purchased power costs.
LP Demand Response	LP Demand Response credits decreased from the 2022 test year to the 2024 test year due to increased levels subscribed to Demand Response Product C which left fewer kilowatts available for other demand response products.
Sales for Resale	<p>Sales for Resale revenue increased from the 2022 test year to the 2024 test year due to higher pricing on market sales and more Company generation available for sale in the market.</p> <p>The increase also reflects higher revenue from Minnkota Power Cooperative, Inc. (Minnkota Power) due to the resale of approximately 41 percent in 2024 (approximately 32 percent in 2022 test year) of Minnesota Power's 50 percent output entitlement from Square Butte Electric Cooperative (Square Butte), under a power sales agreement with Minnkota Power which commenced June 1, 2014. "See "Purchased Power". In addition, Minnkota Power revenue was higher in the 2024 test year as sales in the 2022 test year were reduced due to a planned outage at Square Butte.</p>
Other Operating Revenue	Other Operating Revenue increased from the 2022 test year to the 2024 test year primarily due to incorporating the Great Northern Transmission Line project into base rates from the Transmission Cost Recovery Rider in the 2024 test year.
<u>Operating Expenses:</u>	
Steam Production	Steam Production expense increased from the 2022 test year to the 2024 test year primarily due to higher expenses for reagents due to higher commodity prices for the raw materials used to make reagents as well as an expected increase in the amount that Boswell Energy Center is running compared to assumptions underlying the 2022 test year. Higher labor and benefit costs also contributed to the increase.

**Description of Changes in Operating Income
2024 Test Year compared to Approved 2022 Test Year**

In this Volume 1, Direct Schedule C-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown on Volume 1, Direct Schedule C-3 (IR).

Item	Description and Basis
Hydro Production	Hydro Production expense increased from the 2022 test year to the 2024 test year primarily due to higher maintenance costs including higher costs for contracted professional services and materials.
Wind Production	Wind Production expense increased from the 2022 test year to the 2024 test year primarily due to annual CPI-inflation adjustments under land lease and maintenance agreements for the Bison Wind Energy Center.
Other Power Supply	No significant change.
Purchased Power	<p>Purchased Power expense increased from 2022 test year to the 2024 test year reflecting higher market prices in the 2024 test year.</p> <p>Minnesota Power is selling approximately 41 percent in 2024 (approximately 32 percent in 2021 Rate Order) of its 50 percent output entitlement from Square Butte to Minnkota Power, under a power sales agreement with Minnkota Power which commenced June 1, 2014. Minnkota Power's net entitlement increases and Minnesota Power's net entitlement decreases until Minnesota Power's share is eliminated at the end of 2025. See "Sales for Resale".</p>
Fuel	Fuel expense increased from the 2022 test year to the 2024 test year primarily due to more generation and higher fuel costs in the 2024 test year.
Transmission	Transmission expenses increased from the 2022 test year to the 2024 test year primarily due to higher vegetation management costs reflecting significant increases in vendor contracts, increased costs for other contracted professional services and materials, higher transmission lease payments and higher labor and benefit costs.
Distribution	Distribution expenses increased from the 2022 test year to the 2024 test year primarily due to higher vegetation management costs reflecting significant increases in vendor contracts.
Customer Accounting	Customer Accounting expenses increased from the 2022 test year to the 2024 test year primarily due to an adjustment reducing bad debt expense in the 2022 test year and differences in allocation factors between the 2024 test year and 2022 test year.
Customer Service and Information	Customer Service and Information expense increased from the 2022 test year to the 2024 test year primarily due to higher labor and benefit costs.
Conservation Improvement Program	Customer Improvement Program expense increased from the 2022 test year to the 2024 test year primarily due to higher expected expenditures under Minnesota Power's 2024-2026 Energy Conservation and Optimization Triennial plan.
Sales	No significant change.

**Description of Changes in Operating Income
2024 Test Year compared to Approved 2022 Test Year**

In this Volume 1, Direct Schedule C-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown on Volume 1, Direct Schedule C-3 (IR).

Item	Description and Basis
Administrative and General	Administrative and General expenses increased from the 2022 test year to the 2024 test year primarily due to higher labor and benefit costs reflecting annual wage increases, headcount growth and the expansion of the short-term incentive plan, increased costs for software maintenance and services, higher insurance expenses, and higher costs for contracted professional services.
Charitable Contributions	No significant change.
Interest on Customer Deposits	Interest on Customer Deposits increased from the 2022 test year to the 2024 test year primarily due to higher interest rates. This interest primarily relates to weekly billings to Large Power customers which are reduced by an interest component that is included as a Company expense. Interest calculation is based on billings to customers which will vary from year to year.
Depreciation Expense	Depreciation Expense increased from the 2022 test year to the 2024 test year primarily due to higher plant in-service and incorporating the Great Northern Transmission Line project into base rates from the Transmission Cost Recovery Rider in the 2024 test year. These increases were partially offset by the reclassification of Taconite Harbor Energy Center to a regulatory asset in 2023. See "Amortization Expense".
Amortization Expense	Amortization expense increased from the 2022 test year to the 2024 test year primarily due to the retirement of Taconite Harbor Energy Center in 2023 which is now classified as a regulatory asset being amortized through 2026. Taconite Harbor Energy Center was included in depreciation expense in the 2022 test year. See "Depreciation Expense". Higher intangible plant in-service also contributed to this increase.
Taxes Other Than Income Taxes	Taxes Other Than Income Taxes increased from the 2022 test year to the 2024 test year primarily due to the Great Northern Transmission Line project being removed from the 2022 test year as part of the adjustment for continuing riders. The total company property tax decreased slightly.
Income Taxes / Deferred Income Taxes	Income Taxes reflect higher pretax income and lower production tax credits in the 2024 test year.
Investment Tax Credit	Investment Tax Credits increased from the 2022 test year to the 2024 test year due to amortization of Thomson Hydro ITCs beginning in 2024.
Allowance for Funds Used During Construction	Allowance for Funds Used During Construction increased from the 2022 test year to the 2024 test year primarily due to changes in the level of capital investment from year to year.

Line No.	Description	Calculation Note	Minnesota Jurisdiction		Difference
			Results of Most Recent Rate Case E015/GR-21-335	Proposed Interim Rates 2024	
		(1)	(2)	(3)	(4)
1	Average Rate Base		\$2,029,086,038	\$2,388,175,335	\$359,089,297
2	Operating Income Before AFUDC		\$100,110,375	\$95,210,912	(\$4,899,463)
3	AFUDC		\$2,482,734	\$3,238,550	\$755,816
4	Operating Income	Line 2 + Line 3	\$102,593,109	\$98,449,462	(\$4,143,647)
5	Rate of Return	Line 4 / Line 1	5.0561%	4.1224%	(0.9338%)
6	Required Rate of Return		7.1207%	7.1841%	0.0634%
7	Required Operating Income	Line 1 * Line 6	\$144,485,130	\$171,568,904	\$27,083,775
8	Operating Income Deficiency	Line 7 - Line 4	\$41,892,020	\$73,119,442	\$31,227,422
9	Gross Revenue Conversion Factor		1.40335	1.40335	
10	Revenue Deficiency	Line 8 * Line 9	\$58,789,217	\$102,612,257	
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$658,283,494	\$742,534,666	\$84,251,172
12	Required Percent Increase	Line 10 / Line 11	8.93%	13.82%	

Minnesota Power
Comparison of Most Recently Approved
Capital Structure and Rate of Return Calculations
Minnesota Jurisdiction
(Thousands of Dollars)

- I. Capital structure and rate of return calculation approved by the Commission in Minnesota Power's most recent general rate case (Docket No. E-015/GR-21-335)

	<u>Amount</u>	<u>% of Total</u>	<u>Component Cost</u>	<u>Weighted Cost</u>
Long Term Debt	\$1,358,299 ¹	47.5000%	4.3250%	2.0544%
Common Equity	<u>\$1,501,278 ¹</u>	<u>52.5000%</u>	9.6500%	<u>5.0663%</u>
Total Capitalization	\$2,859,577	100.0000%		7.1207%

- II. Capital structure and rate of return calculation for proposed interim rates 2024

	<u>Projected Amount</u>	<u>Projected % of Total</u>	<u>Interim % of Total</u>	<u>Component Cost</u>	<u>Weighted Cost</u>
Long Term Debt	\$1,421,876	46.7937%	47.0000%	4.4035%	2.0696%
Common Equity	<u>\$1,616,727</u>	<u>53.2063%</u>	<u>53.0000%</u>	9.6500%	<u>5.1145%</u>
Total Capitalization	\$3,038,603	100.0000%	100.0000%		7.1841%

- III. Amount of changes between I and II

	<u>Most Recent General Rate Case Filing</u>	<u>Proposed Interim Filing</u>	<u>Change</u>
Long Term Debt	\$1,358,299	\$1,421,876	\$63,577
Common Equity	<u>\$1,501,278</u>	<u>\$1,616,727</u>	<u>\$115,449</u>
Total Capitalization	\$2,859,577	\$3,038,603	\$179,026

¹ The Long-Term Debt and Common Equity amounts above from Minnesota Power's most recent general rate case are derived from the requested total capitalization combined with the approved equity ratio from Docket No. E-015/GR-21-335.

**Minnesota Power
Comparison of Most Recently Approved
Capital Structure and Rate of Return Calculations
Minnesota Jurisdiction**

- I. The long term debt portion of the capital structure proposed in this rate case increased by approximately \$63.6 million compared to the last rate case filing in Docket No. E-015/GR-21-335. The component cost of long term debt increased from 4.3250% in the 2021 rate filing to 4.4035% in the current rate filing.

Common equity increased by \$115.4 million due to actual and projected issuances of common stock and increases in retained earnings.

Note: The Long-Term Debt and Common Equity amounts from Minnesota Power's most recent general rate case that were used to calculate the change in capital structure are derived from the requested total capitalized combined with the approved equity ratio from Docket No. E-015/GR-21-335.

Customer Classes		Customers	MWh	Operating Revenues		Increase	
				Present	Interim	\$	%
1	Residential	116,310	960,195	\$ 130,432,436	\$ 148,458,199	\$ 18,025,763	13.82%
2	General Service	21,768	701,909	\$ 94,145,840	\$ 107,156,795	\$ 13,010,955	13.82%
3	Large Light & Power	410	1,180,525	\$ 120,961,301	\$ 137,678,153	\$ 16,716,852	13.82%
4	Large Power	8	4,722,669	\$ 382,561,360	\$ 435,431,339	\$ 52,869,980	13.82%
5	Lighting	5,259	9,823	\$ 4,023,460	\$ 4,579,503	\$ 556,042	13.82%
6	Subtotal by Customer Class	143,755	7,575,121	\$ 732,124,397	\$ 833,303,988	\$ 101,179,592	13.82%
Dual Fuel (Interruptible)							
7	Dual Fuel - Residential	7,263	84,577	\$ 8,382,450	\$ 9,540,905	\$ 1,089,719	13.82%
8	Dual Fuel - Commercial/Industrial	493	21,277	\$ 2,027,850	\$ 2,308,099	\$ 263,620	13.82%
9	Subtotal Dual Fuel	7,756	105,854	\$ 10,410,300	\$ 11,849,004	\$ 1,438,703	13.82%
10	Total Sales of Electricity	151,511	7,680,975	\$ 742,534,697	\$ 845,152,992	\$ 102,618,295	13.82%
11	Demand Response & Contract Revenue			\$ 31,970,504	\$ 31,970,504	\$ -	0.00%
12	Total Sales of Electricity (incl. DR & Contract Revenue)			\$ 774,505,201	\$ 877,123,496	\$ 102,618,295	13.25%
Adjustments for Riders							
	Retail SEA			\$ 972,880	\$ 972,880	\$ -	0.00%
	Conservation Program Adjustment			\$ 2,070,211	\$ 2,070,211	\$ -	0.00%
	CCRC			\$ (900,578)	\$ (900,578)	\$ -	0.00%
	Transmission Adjustment			\$ 10,455,223	\$ 10,455,223	\$ -	0.00%
	Renewable Adjustment			\$ 38,213,701	\$ 38,213,701	\$ -	0.00%
	SRRR			\$ 3,414,299	\$ 3,414,299	\$ -	0.00%
	SRRR Exempt			\$ 1,058,105	\$ 1,058,105	\$ -	0.00%
	Community Solar Garden - Customer Charge			\$ 124,703	\$ 124,703	\$ -	0.00%
	Community Solar Garden - Energy Charge			\$ 7,324	\$ 7,324	\$ -	0.00%
	CARE Surcharge			\$ 4,418,183	\$ 4,418,183	\$ -	0.00%
	CARE Discount			\$ (4,418,183)	\$ (4,418,183)	\$ -	0.00%
	Subtotal Revenue Adjustments			\$ 55,415,869	\$ 55,415,869	\$ -	0.00%
Total E-Schedule Revenue				\$ 829,921,070	\$ 932,539,365	\$ 102,618,295	12.36%

Line No.	Description	Minnesota Jurisdiction		
		Most Recent Fiscal Year 2022	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)
1	Plant In Service			
2	Steam	\$1,453,277,009	\$1,321,884,652	(\$131,392,357)
3	Hydro	\$189,842,203	\$202,574,048	\$12,731,845
4	Wind	\$712,197,295	\$705,164,820	(\$7,032,475)
5	Solar	\$179,105	\$0	(\$179,105)
6	Transmission	\$942,154,826	\$1,002,876,611	\$60,721,785
7	Distribution	\$644,852,590	\$742,530,696	\$97,678,106
8	General Plant	\$207,090,075	\$243,969,438	\$36,879,363
9	Intangible Plant	\$55,971,499	\$73,701,383	\$17,729,884
10	Total Plant In Service	\$4,205,564,602	\$4,292,701,648	\$87,137,045
11				
12	Accumulated Depreciation and Amortization			
13	Steam	(\$696,543,035)	(\$727,610,089)	(\$31,067,054)
14	Hydro	(\$51,446,710)	(\$48,573,219)	\$2,873,492
15	Wind	(\$178,254,107)	(\$209,840,004)	(\$31,585,897)
16	Solar	(\$33,821)	\$0	\$33,821
17	Transmission	(\$227,954,480)	(\$289,359,999)	(\$61,405,519)
18	Distribution	(\$264,884,301)	(\$344,861,314)	(\$79,977,013)
19	General Plant	(\$94,303,215)	(\$103,887,004)	(\$9,583,789)
20	Intangible Plant	(\$36,548,228)	(\$49,720,712)	(\$13,172,485)
21	Total Accumulated Depreciation and Amortization	(\$1,549,967,896)	(\$1,773,852,340)	(\$223,884,444)
22				
23	Net Plant Before CWIP			
24	Steam	\$756,733,974	\$594,274,563	(\$162,459,411)
25	Hydro	\$138,395,493	\$154,000,830	\$15,605,337
26	Wind	\$533,943,188	\$495,324,816	(\$38,618,372)
27	Solar	\$145,285	\$0	(\$145,285)
28	Transmission	\$714,200,346	\$713,516,612	(\$683,734)
29	Distribution	\$379,968,289	\$397,669,382	\$17,701,093
30	General Plant	\$112,786,860	\$140,082,434	\$27,295,574
31	Intangible Plant	\$19,423,272	\$23,980,671	\$4,557,399
32	Total Net Plant Before CWIP	\$2,655,596,706	\$2,518,849,307	(\$136,747,399)
33	Construction Work in Progress	\$72,189,144	\$86,087,022	\$13,897,878
34	Utility Plant	\$2,727,785,851	\$2,604,936,330	(\$122,849,521)
35				
36	Working Capital			
37	Fuel Inventory	\$24,490,207	\$19,346,103	(\$5,144,104)
38	Materials and Supplies	\$28,758,561	\$33,635,955	\$4,877,395
39	Prepayments	\$114,591,931	\$25,510,545	(\$89,081,387)
40	Cash Working Capital	(\$37,524,197)	(\$42,878,150)	(\$5,353,954)
41	Total Working Capital	\$130,316,503	\$35,614,453	(\$94,702,050)
42				
43	Additions and Deductions			
44	Asset Retirement Obligation	(\$100,616,460)	\$0	\$100,616,460
45	Electric Vehicle Program	\$186,991	\$0	(\$186,991)
46	Workers Compensation Deposit	\$66,920	\$69,499	\$2,579
47	Unamortized WPPI Transmission Amortization	(\$425,633)	\$0	\$425,633
48	Unamortized UMWI Transaction Cost	\$988,053	\$824,266	(\$163,787)
49	Customer Advances	(\$2,057,199)	(\$2,208,000)	(\$150,801)
50	Other Deferred Credits - Hibbard	(\$298,885)	(\$300,727)	(\$1,842)
51	Wind Performance Deposit	(\$132,164)	(\$132,978)	(\$814)
52	Accumulated Deferred Income Taxes	(\$317,835,235)	(\$250,627,508)	\$67,207,728
53	Total Additions and Deductions	(\$420,123,611)	(\$252,375,448)	\$167,748,164
54				
55	Total Average Rate Base	\$2,437,978,742	\$2,388,175,335	(\$49,803,407)

General Description

The Company has identified those significant events affecting changes in the major categories of Rate Base since the most recent fiscal year 2022 (unadjusted). This summary explains changes shown in Direct Schedule D-1 (IR).

Item	Description and Basis
Steam Production Plant	The decrease is primarily due to retiring Taconite Harbor Energy Center in 2023 and transferring the plant balance to a regulated asset, reflecting continued cost recovery through 2026, and adjustments in the 2024 test year for plant in-service, partially offset by regularly-scheduled, necessary, critical turbine refurbishments on Boswell Unit 3, boiler air heater overhaul, cooling tower stack refurbishment, and boiler superheat pendant refurbishment on Boswell Unit 4, projects to reduce wastewater streams and Combustion Coal Residuals (“CCR”) at the Boswell facility, and on-going capital investment.
Hydro Production Plant	The increase is primarily due to on-going capital investment and upgrades to hydro generation units such as gate, crane, and concrete replacement and refurbishment projects.
Wind Production Plant	The decrease is due to adjustments in the 2024 test year for plant in-service, partially offset by on-going capital investment and upgrades to wind generation units such as blade and gearbox replacements.
Transmission Plant	The increase is due to strategic capital investments related to the on-going transition of the Company’s baseload coal generation fleet as well as on-going capital investments and upgrades to improve reliability and power quality, partially offset by adjustments in the 2024 test year for plant in-service.
Distribution Plant	The increase is primarily due to on-going capital investments and upgrades to improve reliability and power quality, partially offset by adjustments in the 2024 test year for plant in-service.
General Plant	The increase is primarily due to on-going capital investment, partially offset by adjustments in the 2024 test year for plant in-service.

Item	Description and Basis
Intangible Plant	The increase is primarily due to on-going capital investments, primarily software, to improve safety, security, and reliability.
Accumulated Depreciation and Amortization	Depreciation and Amortization reserves, for all except hydro and solar plant increased primarily due to the additions of tangible and intangible plant, partially offset by retiring Taconite Harbor Energy Center in 2023 and transferring the accumulated depreciation balance to a regulated asset, reflecting continued cost recovery through 2026. There are also adjustments in the 2024 test year for accumulated depreciation and amortization that contributed to these increases and decreases.
Construction Work In Progress (CWIP)	The increase is primarily due to changes in the level of capital investment from year to year, partially offset by the adjustment for the removal of the transmission cost recovery rider projects in the 2024 test year.
Working Capital	<p>Fuel inventory decreases are primarily due to the continuation of bringing fuel inventory back to a normal target inventory level.</p> <p>Materials and supplies increased primarily due to cost increases reflecting inflation and supply chain disruption experienced over the last several years. These inflationary pressures and supply chain constraints have resulted in increased prices for materials as well as lead times for procurement.</p> <p>Prepayments decreases are primarily due to adjustments in the 2024 interim test year to remove the prepaid pension asset and the prepaid OPEB asset.</p>
Asset Retirement Obligations	There is an adjustment in the 2024 test year to remove asset retirement obligations.
Accumulated Deferred Income Taxes	The increase is primarily due to book depreciation in excess of tax depreciation, and the inclusion of the accumulated deferred income taxes for the prepaid pension asset and prepaid OPEB asset in rate base in the Most Recent Fiscal Year 2022.

Line No.	Description	Minnesota Jurisdiction		
		Most Recent Fiscal Year 2022	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)
1	Operating Revenue			
2	Sales by Rate Class	\$752,679,412	\$732,124,371	(\$20,555,041)
3	Dual Fuel	\$11,218,813	\$10,410,296	(\$808,518)
4	Intersystem Sales	\$35,335,245	\$37,829,282	\$2,494,038
5	LP Demand Response	(\$2,368,411)	(\$1,562,400)	\$806,011
6	Sales for Resale	\$147,121,722	\$121,182,985	(\$25,938,737)
7	Total Revenue from Sales	\$943,986,781	\$899,984,534	(\$44,002,248)
8	Other Operating Revenue	\$119,442,887	\$59,307,041	(\$60,135,846)
9	Total Operating Revenue	\$1,063,429,668	\$959,291,575	(\$104,138,094)
10				
11	Operating Expenses Before AFUDC			
12	Operation and Maintenance Expenses			
13	Steam Production	(\$35,261,161)	(\$37,624,288)	(\$2,363,127)
14	Hydro Production	(\$4,300,417)	(\$5,015,418)	(\$715,001)
15	Wind Production	(\$15,569,969)	(\$18,171,175)	(\$2,601,206)
16	Solar Production	(\$45,484)	\$0	\$45,484
17	Other Power Supply	(\$1,667,431)	(\$1,507,917)	\$159,514
18	Purchased Power	(\$345,078,774)	(\$308,504,949)	\$36,573,826
19	Fuel	(\$118,056,049)	(\$118,376,133)	(\$320,084)
20	Total Production	(\$519,979,285)	(\$489,199,880)	\$30,779,405
21	Transmission	(\$82,963,820)	(\$53,200,711)	\$29,763,109
22	Distribution	(\$28,879,079)	(\$27,735,048)	\$1,144,031
23	Customer Accounting	(\$6,157,583)	(\$6,877,280)	(\$719,697)
24	Customer Service and Information	(\$1,905,005)	(\$1,793,529)	\$111,476
25	Conservation Improvement Program	(\$11,616,862)	(\$12,531,684)	(\$914,822)
26	Sales	(\$17,855)	(\$24,373)	(\$6,518)
27	Administrative and General	(\$61,061,821)	(\$71,384,478)	(\$10,322,657)
28	Charitable Contributions	(\$788,796)	(\$229,394)	\$559,402
29	Interest on Customer Deposits	(\$1,988,408)	(\$2,520,000)	(\$531,592)
30	Total Operation and Maintenance Expenses	(\$715,358,514)	(\$665,496,377)	\$49,862,137
31	Depreciation Expense	(\$136,692,996)	(\$140,847,638)	(\$4,154,643)
32	Amortization Expense	(\$6,921,565)	(\$20,139,407)	(\$13,217,842)
33	Taxes Other Than Income Taxes	(\$47,175,207)	(\$53,028,788)	(\$5,853,581)
34	Income Taxes	(\$25,508,032)	(\$14,690,825)	\$10,817,207
35	Deferred Income Taxes	\$34,630,769	\$29,314,780	(\$5,315,989)
36	Investment Tax Credit	\$440,449	\$807,593	\$367,143
37	Total Operating Expenses Before AFUDC	(\$896,585,096)	(\$864,080,663)	\$32,504,433
38				
39	Operating Income Before AFUDC	\$166,844,572	\$95,210,912	(\$71,633,660)
40	Allowance for Funds Used During Construction	\$2,906,843	\$3,238,550	\$331,707
41	Total Operating Income	\$169,751,415	\$98,449,462	(\$71,301,953)

Description of Changes in Operating Income 2024 Test Year compared to 2022

In this Volume 1, Direct Schedule D-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the most recent fiscal year 2022. This summary explains changes shown on Volume 1, Direct Schedule D-3 (IR).

Item	Description and Basis
<u>Operating Revenue:</u>	The comparison of revenue by rate class is based on 2022 rate revenue as compared to the interim rate revenue in the present docket (2024 test year).
Sales by Rate Class	Sales by Rate Class revenue decreased from 2022 to the 2024 test year as 2022 included an estimate for the impact of final rates that were implemented October 1, 2023. The decrease is also attributed to recovery of lower fuel adjustment clause costs. Customer load is similar in both periods.
Dual Fuel	Dual Fuel revenue decreased from 2022 to the 2024 test year primarily due to a 0.45 percent rate decrease implemented for residential customers in this rate class October 1, 2023.
Intersystem Sales	Intersystem revenue increased from 2022 to the 2024 test year primarily due to more sales to Silver Bay Power Corporation. In 2022, Silver Bay Power was idled for most of the year.
LP Demand Response	LP Demand Response credits decreased from the 2022 to the 2024 test year due to increased levels subscribed to Demand Response Product C which left fewer kilowatts available for other demand response products.
Sales for Resale	<p>Sales for Resale revenue decreased from 2022 to the 2024 test year due to the absence of two asset backed sales included in 2022, as well as less projected capacity surplus available for sale in the market in the 2024 test year.</p> <p>This decrease is partially offset by an increase in revenue from Minnkota Power Cooperative, Inc. (Minnkota Power) due to the resale of approximately 41 percent in 2024 (approximately 32 percent in 2022) of Minnesota Power's 50 percent output entitlement from Square Butte Electric Cooperative (Square Butte), under a power sales agreement with Minnkota Power which commenced June 1, 2014. "See "Purchased Power". In addition, Minnkota Power revenue was higher in the 2024 test year as sales in 2022 were reduced due to a planned outage at Square Butte.</p>
Other Operating Revenue	Other Operating Revenue decreased from 2022 to the 2024 test year primarily due to the exclusion of revenue related to the continuing riders for Transmission Cost Recovery and Renewable Resources in the 2024 test year.
<u>Operating Expenses:</u>	
Steam Production	Steam Production expense increased from 2022 to the 2024 test year primarily due to higher expenses for reagents due to higher commodity prices for the raw materials used to make reagents compared to 2022. The higher expenses for reagents also reflect an expected increase in the amount that Boswell Energy Center is running compared to 2022. Higher labor and benefit costs also contributed to the increase.
Hydro Production	Hydro production expense increased from 2022 to the 2024 test year primarily due to higher labor and benefit costs as well as higher costs for contracted professional services and materials.

Description of Changes in Operating Income 2024 Test Year compared to 2022

In this Volume 1, Direct Schedule D-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the most recent fiscal year 2022. This summary explains changes shown on Volume 1, Direct Schedule D-3 (IR).

Item	Description and Basis
Wind Production	Wind Production expense increased from 2022 to the 2024 test year primarily due to annual CPI-inflation adjustments under land lease and maintenance agreements for the Bison Wind Energy Center.
Solar Production	No significant change.
Other Power Supply	No significant change.
Purchased Power	<p>Purchased Power expense decreased from 2022 to the 2024 test year reflecting fewer purchases needed to meet customer load as well as lower overall purchased power prices.</p> <p>Minnesota Power is selling approximately 41 percent in 2024 (approximately 32 percent in 2022) of its 50 percent output entitlement from Square Butte to Minnkota Power, under a power sales agreement with Minnkota Power which commenced June 1, 2014. Minnkota Power's net entitlement increases and Minnesota Power's net entitlement decreases until Minnesota Power's share is eliminated at the end of 2025. See "Sales for Resale".</p>
Fuel	No significant change.
Transmission	Transmission expense decreased from 2022 to the 2024 test year primarily due to an adjustment in the 2024 test year to remove expenses that will remain in a continuing cost recovery rider.
Distribution	Distribution expenses decreased from 2022 to the 2024 test year primarily due to 2022 year-end storm-related expenses and expenses for safety related materials in 2022 that are not expected to continue into future years.
Customer Accounting	Customer Accounting expenses increased from the 2022 to the 2024 test year primarily due to higher contracted professional services and higher labor and benefit costs.
Customer Service and Information	No significant change.
Conservation Improvement Program	Conservation Improvement Program expenses increased from 2022 to the 2024 test year primarily due to higher expected spending on conservation programs. The 2024 test year expense is based on Minnesota Power's 2024-2026 Energy Conservation and Optimization Triennial plan. filed with the Minnesota Department of Commerce.
Sales	No significant change.

Description of Changes in Operating Income 2024 Test Year compared to 2022

In this Volume 1, Direct Schedule D-4(IR), Minnesota Power ("Company") has identified those significant events affecting changes in the major categories of Operating Income since the most recent fiscal year 2022. This summary explains changes shown on Volume 1, Direct Schedule D-3 (IR).

Item	Description and Basis
Administrative and General	Administrative and General expenses increased from 2022 to the 2024 test year primarily due to higher labor and benefit costs reflecting annual wage increases, headcount growth, increased cost of providing benefits and the expansion of the short-term incentive plan, increased costs for software maintenance and services, higher insurance expenses, and higher costs for contracted professional services.
Charitable Contributions	Charitable Contributions decreased from 2022 to the 2024 test year primarily due to an adjustment to reduce 2024 test year charitable contributions to 50 percent of the average of the three most recently completed years.
Interest on Customer Deposits	Interest on Customer Deposits increased from 2022 to the 2024 test year primarily due to higher interest rates. This interest primarily relates to weekly billings to Large Power customers which are reduced by an interest component that is included as a Company expense. Interest calculation is based on billings to customers which will vary from year to year.
Depreciation Expense	Depreciation Expense increased from 2022 to the 2024 test year primarily due to higher plant in-service, excluding 2024 test year adjustments, partially offset by the reclassification of Taconite Harbor Energy Center to a regulatory asset in 2023. See "Amortization Expense".
Amortization Expense	Amortization expense increased from 2022 to the 2024 test year primarily due to the retirement of Taconite Harbor Energy Center in 2023 which is now classified as a regulatory asset being amortized through 2026. Taconite Harbor Energy Center was included in depreciation expense in 2022. See "Depreciation Expense". Higher intangible plant in-service also contributed to this increase.
Taxes Other Than Income Taxes	Taxes Other Than Income Taxes increased from 2022 to the 2024 test year primarily due to changes in estimates of property tax expense for 2021 recorded in 2022.
Income Taxes / Deferred Income Taxes	Income Taxes reflect lower pretax income and lower production tax credits in the 2024 test year.
Investment Tax Credit	Investment Tax Credits increased from 2022 to the 2024 test year due to the amortization of the Thomson Hydro ITCs beginning in 2024.
Allowance for Funds Used During Construction	Allowance for Funds Used During Construction increased from 2022 to the 2024 test year primarily due to changes in the level of capital investment from year to year.

Line No.	Line	Calculation Note	Minnesota Jurisdiction		
			Most Recent Fiscal Year 2022	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)	(4)
1	Average Rate Base		\$2,437,978,742	\$2,388,175,335	(\$49,803,407)
2	Operating Income Before AFUDC		\$166,844,572	\$95,210,912	(\$71,633,660)
3	AFUDC		\$2,906,843	\$3,238,550	\$331,707
4	Operating Income	Line 2 + Line 3	\$169,751,415	\$98,449,462	(\$71,301,953)
5	Rate of Return	Line 4 / Line 1	6.9628%	4.1224%	(2.8404%)
6	Required Rate of Return		7.1711%	7.1841%	0.0130%
7	Required Operating Income	Line 1 * Line 6	\$174,829,894	\$171,568,904	(\$3,260,989)
8	Operating Income Deficiency	Line 7 - Line 4	\$5,078,478	\$73,119,442	\$68,040,964
9	Gross Revenue Conversion Factor		1.40335	1.40335	
10	Revenue Deficiency	Line 8 * Line 9	\$7,126,889	\$102,612,257	
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$763,898,225	\$742,534,666	(\$21,363,559)
12	Required Percent Increase	Line 10 / Line 11	0.93%	13.82%	

Minnesota Power
Comparison of Most Recent Fiscal Year
Capital Structure and Rate of Return Calculations
Minnesota Jurisdiction
(Thousands of Dollars)

I. Capital structure and rate of return calculation for most recent fiscal year 2022

	<u>Amount</u>	<u>% of Total</u>	<u>Component Cost</u>	<u>Weighted Cost</u>
Long Term Debt	\$1,347,066	46.6065%	4.3311%	2.0186%
Common Equity	<u>\$1,543,229</u>	<u>53.3935%</u>	9.2599%	<u>4.9442%</u>
Total Capitalization	\$2,890,295	100.0000%		6.9628%

II. Capital structure and rate of return calculation for proposed interim rates 2024

	<u>Projected Amount</u>	<u>Projected % of Total</u>		
Long Term Debt	\$1,421,876	46.7937%		
Common Equity	<u>\$1,616,727</u>	<u>53.2063%</u>		
Total Capitalization	\$3,038,603	100.0000%		
	<u>Interim Amount</u>	<u>Interim % of Total</u>	<u>Component Cost</u>	<u>Weighted Cost</u>
Long Term Debt	\$1,428,143 ¹	47.0000%	4.4035%	2.0696%
Common Equity	<u>\$1,610,460 ¹</u>	<u>53.0000%</u>	9.6500%	<u>5.1145%</u>
Total Capitalization	\$3,038,603	100.0000%		7.1841%

III. Amount of changes between I and II

	<u>Most Recent Fiscal Year</u>	<u>Proposed Interim Filing</u>	<u>Change</u>
Long Term Debt	\$1,347,066	\$1,428,143	\$81,077
Common Equity	<u>\$1,543,229</u>	<u>\$1,610,460</u>	<u>\$67,231</u>
Total Capitalization	\$2,890,295	\$3,038,603	\$148,308

¹ The Interim Long-Term Debt and Common Equity amounts above are derived from the requested total capitalization combined with the requested equity ratio of 53.0000% from Docket No. E-015/GR-23-155.

**Minnesota Power
Comparison of Most Recent Fiscal Year
Capital Structure and Rate of Return Calculations
Minnesota Jurisdiction**

- I. The Long-Term Debt portion of the capital structure proposed in this rate case increased by approximately \$81.0 million compared to the most recent fiscal year (2022). The component cost of Long-Term Debt increased from 4.3311% in the 2022 fiscal year to 4.4035% in the current rate filing.

Common Equity increased by \$67.2 million due to actual and projected issuances of common stock and increases in retained earnings.

Note: The interim Long-Term Debt and Common Equity amounts are derived from the requested total capitalized combined with the requested equity ratio of 53.0000% from Docket No. E-015/GR-23-155.

Line No.	Description	Minnesota Jurisdiction		
		Results of Most Recent Rate Case E015/GR-21-335	Proposed Test Year 2024	Difference
		(1)	(2)	(3)
1	Plant In Service			
2	Steam	\$1,234,595,499	\$1,321,884,652	\$87,289,153
3	Hydro	\$189,315,873	\$202,574,048	\$13,258,175
4	Wind	\$698,664,705	\$705,164,820	\$6,500,115
5	Solar	\$0	\$0	\$0
6	Transmission	\$698,190,566	\$1,002,876,611	\$304,686,044
7	Distribution	\$666,412,703	\$742,530,696	\$76,117,992
8	General Plant	\$205,374,793	\$243,969,438	\$38,594,645
9	Intangible Plant	\$59,817,789	\$73,701,383	\$13,883,594
10	Total Plant In Service	\$3,752,371,930	\$4,292,701,648	\$540,329,718
11				
12	Accumulated Depreciation and Amortization			
13	Steam	(\$588,165,415)	(\$727,610,089)	(\$139,444,674)
14	Hydro	(\$40,673,034)	(\$48,573,219)	(\$7,900,185)
15	Wind	(\$173,545,172)	(\$209,840,004)	(\$36,294,831)
16	Solar	\$0	\$0	\$0
17	Transmission	(\$243,459,726)	(\$289,359,999)	(\$45,900,273)
18	Distribution	(\$318,620,452)	(\$344,861,314)	(\$26,240,862)
19	General Plant	(\$95,644,060)	(\$103,887,004)	(\$8,242,943)
20	Intangible Plant	(\$35,022,935)	(\$49,720,712)	(\$14,697,777)
21	Total Accumulated Depreciation and Amortization	(\$1,495,130,796)	(\$1,773,852,340)	(\$278,721,544)
22				
23	Net Plant Before CWIP			
24	Steam	\$646,430,084	\$594,274,563	(\$52,155,521)
25	Hydro	\$148,642,839	\$154,000,830	\$5,357,990
26	Wind	\$525,119,533	\$495,324,816	(\$29,794,716)
27	Solar	\$0	\$0	\$0
28	Transmission	\$454,730,840	\$713,516,612	\$258,785,772
29	Distribution	\$347,792,251	\$397,669,382	\$49,877,131
30	General Plant	\$109,730,733	\$140,082,434	\$30,351,701
31	Intangible Plant	\$24,794,854	\$23,980,671	(\$814,183)
32	Total Net Plant Before CWIP	\$2,257,241,134	\$2,518,849,307	\$261,608,174
33	Construction Work in Progress	\$35,738,582	\$86,087,022	\$50,348,440
34	Utility Plant	\$2,292,979,716	\$2,604,936,330	\$311,956,614
35				
36	Working Capital			
37	Fuel Inventory	\$14,667,607	\$19,346,103	\$4,678,496
38	Materials and Supplies	\$24,530,437	\$33,635,955	\$9,105,518
39	Prepayments	\$24,188,586	\$112,199,324	\$88,010,739
40	Cash Working Capital	(\$39,339,364)	(\$43,164,158)	(\$3,824,794)
41	Total Working Capital	\$24,047,266	\$122,017,225	\$97,969,959
42				
43	Additions and Deductions			
44	Asset Retirement Obligation	\$0	\$0	\$0
45	Electric Vehicle Program	\$0	\$0	\$0
46	Workers Compensation Deposit	\$71,132	\$69,499	(\$1,633)
47	Unamortized WPPI Transmission Amortization	(\$425,115)	\$0	\$425,115
48	Unamortized UMWI Transaction Cost	\$986,869	\$824,266	(\$162,603)
49	Unamortized Boswell 1 and 2	(\$4,876,401)	\$0	\$4,876,401
50	Customer Advances	(\$1,762,180)	(\$2,208,000)	(\$445,820)
51	Other Deferred Credits - Hibbard	(\$297,223)	(\$300,727)	(\$3,504)
52	Wind Performance Deposit	(\$131,428)	(\$132,978)	(\$1,550)
53	Taconite Harbor Energy Center	\$0	\$9,030,132	\$9,030,132
54	Accumulated Deferred Income Taxes	(\$281,506,597)	(\$282,146,390)	(\$639,793)
55	Total Additions and Deductions	(\$287,940,943)	(\$274,864,199)	\$13,076,745
56				
57	Total Average Rate Base	\$2,029,086,038	\$2,452,089,356	\$423,003,318

General Description

The Company has identified those significant events affecting changes in the major categories of Rate Base since the last Order in Docket No. E-015/GR-21-335 (2021 Rate Case). This summary explains changes shown in Direct Schedule E-1 (IR).

Item	Description and Basis
Steam Production Plant	The increase is primarily due to regularly-scheduled, necessary, critical turbine refurbishments on Boswell Unit 3, boiler air heater overhaul, cooling tower stack refurbishment, and boiler superheat pendant refurbishment on Boswell Unit 4, projects to reduce wastewater streams and Combustion Coal Residuals (“CCR”) at the Boswell facility, and on-going capital investment.
Hydro Production Plant	The increase is primarily due to on-going capital investment and upgrades to hydro generation units such as gate, crane, and concrete replacement and refurbishment projects.
Wind Production Plant	The increase is primarily due to on-going capital investment and upgrades to wind generation units such as blade and gearbox replacements.
Transmission Plant	The increase is primarily due to strategic capital investments related to the on-going transition of the Company’s baseload coal generation fleet as well as on-going capital investments and upgrades to improve reliability and power quality.
Distribution Plant	The increase is primarily due to on-going capital investments and upgrades to improve reliability and power quality.
General Plant	The increase is primarily due to on-going capital investment.
Intangible Plant	The increase is primarily due to on-going capital investments, primarily software, to improve safety, security, and reliability.
Accumulated Depreciation and Amortization	Accumulated depreciation and amortization reserves increased primarily due to the additions of plant.
Construction Work In Progress	The increase is primarily due to changes in the level of capital investment from year to year.

Item	Description and Basis
Working Capital	<p>Fuel inventory increases are primarily due to higher costs of coal supply and delivery experienced over the last several years.</p> <p>Material and supplies increased primarily due to cost increases reflecting inflation and supply chain disruption experienced over the last several years. These inflationary pressures and supply chain constraints have resulted in increased prices for materials as well as lead times for procurement.</p> <p>Prepayment increases are primarily due to inclusion of the prepaid pension asset in rate base in the proposed test year. The prepaid pension asset was denied in the most recent rate case.</p>
Unamortized Boswell 1 & 2	<p>The increase is due to the regulated asset balance for Boswell Units 1 and 2 being included in the most recent rate case but not the proposed test year. Continued cost recovery ended in 2022 for Boswell Units 1 and 2. In 2022 the regulated asset for Boswell Units 1 and 2 was a credit balance so the adjustment reduced rate base.</p>
Taconite Harbor Energy Center	<p>The increase is due to retiring Taconite Harbor Energy Center and transferring the plant balance and accumulated depreciation to a regulated asset in 2023, reflecting continued cost recovery through 2026.</p>

Line No.	Description	Minnesota Jurisdiction		
		Results of Most Recent Rate Case E015/GR-21-335	Proposed Test Year 2024	Difference
		(1)	(2)	(3)
1	Operating Revenue			
2	Sales by Rate Class	\$648,038,402	\$734,312,413	\$86,274,011
3	Dual Fuel	\$10,245,092	\$10,440,637	\$195,545
4	Intersystem Sales	\$25,960,911	\$37,829,282	\$11,868,372
5	LP Demand Response	(\$1,922,400)	(\$864,000)	\$1,058,400
6	Sales for Resale	\$99,436,412	\$118,880,356	\$19,443,945
7	Total Revenue from Sales	\$781,758,416	\$900,598,688	\$118,840,272
8	Other Operating Revenue	\$34,532,417	\$58,897,138	\$24,364,721
9	Total Operating Revenue	\$816,290,833	\$959,495,826	\$143,204,993
10				
11	Operating Expenses Before AFUDC			
12	Operation and Maintenance Expenses			
13	Steam Production	(\$30,441,640)	(\$47,166,222)	(\$16,724,582)
14	Hydro Production	(\$4,449,944)	(\$5,015,418)	(\$565,474)
15	Wind Production	(\$15,364,379)	(\$18,171,175)	(\$2,806,796)
16	Solar Production	\$0	\$0	\$0
17	Other Power Supply	(\$1,588,610)	(\$1,507,917)	\$80,692
18	Purchased Power	(\$287,176,900)	(\$307,798,516)	(\$20,621,616)
19	Fuel	(\$80,834,527)	(\$118,376,133)	(\$37,541,606)
20	Total Production	(\$419,856,000)	(\$498,035,381)	(\$78,179,381)
21	Transmission	(\$47,458,993)	(\$53,200,711)	(\$5,741,718)
22	Distribution	(\$27,110,277)	(\$27,735,048)	(\$624,771)
23	Customer Accounting	(\$5,905,019)	(\$6,877,280)	(\$972,261)
24	Customer Service and Information	(\$1,515,635)	(\$1,793,529)	(\$277,894)
25	Conservation Improvement Program	(\$10,714,344)	(\$12,531,684)	(\$1,817,340)
26	Sales	(\$1,856)	(\$24,373)	(\$22,516)
27	Administrative and General	(\$59,780,758)	(\$71,414,506)	(\$11,633,748)
28	Charitable Contributions	(\$241,447)	(\$229,394)	\$12,052
29	Interest on Customer Deposits	(\$1,248,000)	(\$2,520,000)	(\$1,272,000)
30	Total Operation and Maintenance Expenses	(\$573,832,329)	(\$674,361,906)	(\$100,529,577)
31	Depreciation Expense	(\$131,879,134)	(\$140,847,638)	(\$8,968,505)
32	Amortization Expense	(\$6,799,674)	(\$18,953,656)	(\$12,153,982)
33	Taxes Other Than Income Taxes	(\$37,152,032)	(\$53,028,788)	(\$15,876,756)
34	Income Taxes	(\$12,077,023)	(\$12,162,029)	(\$85,006)
35	Deferred Income Taxes	\$45,115,356	\$29,314,780	(\$15,800,576)
36	Investment Tax Credit	\$444,377	\$807,593	\$363,215
37	Total Operating Expenses Before AFUDC	(\$716,180,458)	(\$869,231,645)	(\$153,051,186)
38				
39	Operating Income Before AFUDC	\$100,110,375	\$90,264,182	(\$9,846,193)
40	Allowance for Funds Used During Construction	\$2,482,734	\$3,238,550	\$755,816
41	Total Operating Income	\$102,593,109	\$93,502,732	(\$9,090,377)

General Description

Minnesota Power ("the Company") has identified those significant changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown in Direct Schedule E-3 (IR).

Item	Description and Basis
<u>Operating Revenue:</u>	The comparison of revenue by rate class is based on the approved 2022 test year rate revenue in Docket No. E015/GR-21-335 (2022 Approved Test Year) as compared to the general rate revenue in the present docket (2024 Proposed Test Year).
Sales by Rate Class	Sales by Rate Class revenue increased from the 2022 Approved Test Year to the 2024 Proposed Test Year due to the implementation of a 9.39 percent rate increase effective October 1, 2023, and recovery of higher fuel adjustment clause costs in the 2024 test year. These increases were partially offset by a 3 percent decrease in customer load in the 2024 Proposed Test Year.
Dual Fuel	Dual Fuel revenue increased from the 2022 Approved Test Year to the 2024 Proposed Test Year due to recovery of higher fuel adjustment clause costs in the 2024 test year. This increase was partially offset by a 5 percent decrease in customer load in the 2024 test year and the implementation of an overall 0.25 percent rate decrease effective October 1, 2023.
Intersystem Sales	Intersystem Sales revenue increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to increased sales to Silver Bay Power Corporation and higher pricing on intersystem sales in the 2024 test year due to higher fuel and purchased power costs.
LP Demand Response	LP Demand Response credits decreased from the 2022 Approved Test Year to the 2024 Approved Test Year due to increased levels subscribed to Demand Response Product C which left fewer kilowatts available for other demand response products.
Sales for Resale	<p>Sales for Resale revenue increased from the 2022 Approved Test Year to the 2024 Proposed Test Year due to higher pricing on market sales and more Company generation available for sale in the market.</p> <p>The increase also reflects higher revenue from Minnkota Power Cooperative, Inc. (Minnkota Power) due to the resale of approximately 41 percent in 2024 (approximately 32 percent in the 2022 Approved Test Year) of Minnesota Power's 50 percent output entitlement from Square Butte Electric Cooperative (Square Butte), under a power sales agreement with Minnkota Power which commenced June 1, 2014. "See "Purchased Power". In addition, Minnkota Power revenue was higher in the 2024 test year as sales in the 2022 Approved Test Year were reduced due to a planned outage at Square Butte.</p>
Other Operating Revenue	Other Operating Revenue increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to incorporating the Great Northern Transmission Line project into base rates from the Transmission Cost Recovery Rider in the 2024 test year.
<u>Operating Expenses</u>	
Steam Production	Steam Production expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher expenses for NOx Allowances and reagents due to higher commodity prices for the raw materials used to make reagents as well as an expected increase in the amount that Boswell Energy Center is running compared to assumptions underlying the 2022 Approved Test Year. Higher labor and benefit costs also contributed to the increase.

General Description

Minnesota Power ("the Company") has identified those significant changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown in Direct Schedule E-3 (IR).

Item	Description and Basis
Hydro Production	Hydro Production expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher maintenance costs including higher costs for contracted professional services and materials.
Wind Production	Wind Production expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to annual CPI-inflation adjustments under land lease and maintenance agreements for the Bison Wind Energy Center.
Other Power Supply	No significant change.
Purchased Power	<p>Purchased Power expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year reflecting higher market prices in the 2024 test year.</p> <p>Minnesota Power is selling approximately 41 percent in 2024 (approximately 32 percent in 2022 Approved Test Year) of its 50 percent output entitlement from Square Butte to Minnkota Power, under a power sales agreement with Minnkota Power which commenced June 1, 2014. Minnkota Power's net entitlement increases and Minnesota Power's net entitlement decreases until Minnesota Power's share is eliminated at the end of 2025. See "Sales for Resale."</p>
Fuel	Fuel expense decreased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to more generation and higher fuel costs in the 2024 test year.
Transmission	Transmission expenses increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher vegetation management costs reflecting significant increases in vendor contracts, increased costs for other contracted professional services and materials, higher transmission lease payments and higher labor and benefit costs.
Distribution	Distribution expenses increased from the 2022 Approved Test Year to the 2024 Approved Test Year primarily due to higher vegetation management costs reflecting significant increases in vendor contracts.
Customer Accounting	Customer Accounting expenses increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to an adjustment reducing bad debt expense in the 2022 Approved Test Year and differences in allocation factors between the 2024 test year and 2022 test year.
Customer Service and Information	Customer Service and Information expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher labor and benefit costs.
Conservation Improvement Program	Customer Improvement Program expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher expected expenditures under Minnesota Power's 2024-2026 Energy Conservation and Optimization Triennial plan.
Sales	No significant change.
Administrative and General	Administrative and General expenses increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher labor and benefit costs reflecting annual

General Description

Minnesota Power ("the Company") has identified those significant changes in the major categories of Operating Income since the last Order in Docket No. E015/GR-21-335. This summary explains changes shown in Direct Schedule E-3 (IR).

Item	Description and Basis
	wage increases, headcount growth and the expansion of the short-term incentive plan, increased costs for software maintenance and services, higher insurance expenses, and higher costs for contracted professional services.
Charitable Contributions	No significant change.
Interest on Customer Deposits	Interest on Customer Deposits increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher interest rates. This interest primarily relates to weekly billings to Large Power customers which are reduced by an interest component that is included as a Company expense. Interest calculation is based on billings to customers which will vary from year to year.
Depreciation Expense	Depreciation Expense increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to higher plant in-service and incorporating the Great Northern Transmission Line project into base rates from the Transmission Cost Recovery Rider in the 2024 test year. These increases were partially offset by the reclassification of Taconite Harbor Energy Center to a regulatory asset in 2023. See "Amortization Expense".
Amortization Expense	Amortization expense increased from the 2022 Approved Test Year to the 2024 Approved Test Year primarily due to the retirement of Taconite Harbor Energy Center in 2023 which is now classified as a regulatory asset being amortized through 2026. Taconite Harbor Energy Center was included in depreciation expense in the 2022 Approved Test Year. See "Depreciation Expense". Higher intangible plant in-service also contributed to this increase.
Taxes Other Than Income Taxes	Taxes Other Than Income Taxes increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to the Great Northern Transmission Line project being removed from the 2022 Approved Test Year as part of the adjustment for continuing riders. The total company property tax decreased slightly.
Income Taxes / Deferred Income Taxes	Income Taxes reflect higher pretax income and lower production tax credits in the 2024 Proposed Test Year.
Investment Tax Credit	Investment Tax Credits increased from the 2022 Approved Test Year to the 2024 Approved Test Year due to amortization of Thomson Hydro ITCs beginning in 2024.
Allowance for Funds Used During Construction	Allowance for Funds Used During increased from the 2022 Approved Test Year to the 2024 Proposed Test Year primarily due to changes in the level of capital investment from year to year.

Line No.	Description	Calculation Note	Minnesota Jurisdiction		
			Results of Most Recent Rate Case E015/GR-21-335	Proposed Test Year 2024	Difference
		(1)	(2)	(3)	(4)
1	Average Rate Base		\$2,029,086,038	\$2,452,089,356	\$423,003,318
2	Operating Income Before AFUDC		\$100,110,375	\$90,264,182	(\$9,846,193)
3	AFUDC		\$2,482,734	\$3,238,550	\$755,816
4	Operating Income	Line 2 + Line 3	\$102,593,109	\$93,502,732	(\$9,090,377)
5	Rate of Return	Line 4 / Line 1	5.0561%	3.8132%	(1.2429%)
6	Required Rate of Return		7.1207%	7.5286%	0.4079%
7	Required Operating Income	Line 1 * Line 6	\$144,485,130	\$184,607,999	\$40,122,870
8	Operating Income Deficiency	Line 7 - Line 4	\$41,892,020	\$91,105,267	\$49,213,247
9	Gross Revenue Conversion Factor		1.40335	1.40335	
10	Revenue Deficiency	Line 8 * Line 9	\$58,789,217	\$127,852,686	
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$658,283,494	\$744,753,050	\$86,469,556
12	Required Percent Increase	Line 10 / Line 11	8.93%	17.17%	

Line No.	Description	Total Company			Minnesota Jurisdiction		
		Proposed Test Year 2024	Proposed Interim Rates 2024	Difference	Proposed Test Year 2024	Proposed Interim Rates 2024	Difference
		(1)	(2)	(3)	(4)	(5)	(6)
1	Plant In Service						
2	Steam	\$1,488,945,283	\$1,488,945,283		\$1,321,884,652	\$1,321,884,652	
3	Hydro	\$229,567,334	\$229,567,334		\$202,574,048	\$202,574,048	
4	Wind	\$798,419,053	\$798,419,053		\$705,164,820	\$705,164,820	
5	Solar						
6	Transmission	\$1,208,722,400	\$1,208,722,400		\$1,002,876,611	\$1,002,876,611	
7	Distribution	\$783,885,859	\$783,885,859		\$742,530,696	\$742,530,696	
8	General Plant	\$274,165,259	\$274,165,259		\$243,969,438	\$243,969,438	
9	Intangible Plant	\$82,823,320	\$82,823,320		\$73,701,383	\$73,701,383	
10	Total Plant In Service	\$4,866,528,508	\$4,866,528,508		\$4,292,701,648	\$4,292,701,648	
11							
12	Accumulated Depreciation and Amortization						
13	Steam	(\$820,102,167)	(\$820,102,167)		(\$727,610,089)	(\$727,610,089)	
14	Hydro	(\$55,038,782)	(\$55,038,782)		(\$48,573,219)	(\$48,573,219)	
15	Wind	(\$237,601,672)	(\$237,601,672)		(\$209,840,004)	(\$209,840,004)	
16	Solar						
17	Transmission	(\$349,068,764)	(\$349,068,764)		(\$289,359,999)	(\$289,359,999)	
18	Distribution	(\$364,068,669)	(\$364,068,669)		(\$344,861,314)	(\$344,861,314)	
19	General Plant	(\$116,744,980)	(\$116,744,980)		(\$103,887,004)	(\$103,887,004)	
20	Intangible Plant	(\$55,874,589)	(\$55,874,589)		(\$49,720,712)	(\$49,720,712)	
21	Total Accumulated Depreciation and Amortization	(\$1,998,499,624)	(\$1,998,499,624)		(\$1,773,852,340)	(\$1,773,852,340)	
22							
23	Net Plant Before CWIP						
24	Steam	\$668,843,116	\$668,843,116		\$594,274,563	\$594,274,563	
25	Hydro	\$174,528,552	\$174,528,552		\$154,000,830	\$154,000,830	
26	Wind	\$560,817,381	\$560,817,381		\$495,324,816	\$495,324,816	
27	Solar						
28	Transmission	\$859,653,636	\$859,653,636		\$713,516,612	\$713,516,612	
29	Distribution	\$419,817,190	\$419,817,190		\$397,669,382	\$397,669,382	
30	General Plant	\$157,420,278	\$157,420,278		\$140,082,434	\$140,082,434	
31	Intangible Plant	\$26,948,731	\$26,948,731		\$23,980,671	\$23,980,671	
32	Total Net Plant Before CWIP	\$2,868,028,883	\$2,868,028,883		\$2,518,849,307	\$2,518,849,307	
33	Construction Work in Progress	\$98,273,161	\$98,273,161		\$86,087,022	\$86,087,022	
34	Utility Plant	\$2,966,302,044	\$2,966,302,044		\$2,604,936,330	\$2,604,936,330	
35							
36	Working Capital						
37	Fuel Inventory	\$22,519,035	\$22,519,035		\$19,346,103	\$19,346,103	
38	Materials and Supplies	\$38,157,721	\$38,157,721		\$33,635,955	\$33,635,955	
39	Prepayments	\$126,722,236	\$29,304,085	(\$97,418,151)	\$112,199,324	\$25,510,545	(\$86,688,779)
40	Cash Working Capital	(\$49,250,350)	(\$48,998,075)	\$252,275	(\$43,164,158)	(\$42,878,150)	\$286,008
41	Total Working Capital	\$138,148,642	\$40,982,766	(\$97,165,876)	\$122,017,225	\$35,614,453	(\$86,402,772)
42							
43	Additions and Deductions						
44	Asset Retirement Obligation						
45	Electric Vehicle Program						
46	Workers Compensation Deposit	\$78,101	\$78,101		\$69,499	\$69,499	
47	Unamortized UMWI Transaction Cost	\$993,451	\$993,451		\$824,266	\$824,266	
48	Customer Advances	(\$2,208,000)	(\$2,208,000)		(\$2,208,000)	(\$2,208,000)	
49	Other Deferred Credits - Hibbard	(\$339,222)	(\$339,222)		(\$300,727)	(\$300,727)	
50	Wind Performance Deposit	(\$150,000)	(\$150,000)		(\$132,978)	(\$132,978)	
51	Taconite Harbor Energy Center	\$10,186,044		(\$10,186,044)	\$9,030,132		(\$9,030,132)
52	Accumulated Deferred Income Taxes	(\$321,593,728)	(\$286,123,473)	\$35,470,255	(\$282,146,390)	(\$250,627,508)	\$31,518,883
53	Total Additions and Deductions	(\$313,033,354)	(\$287,749,143)	\$25,284,211	(\$274,864,199)	(\$252,375,448)	\$22,488,751
54							
55	Total Average Rate Base	\$2,791,417,332	\$2,719,535,667	(\$71,881,665)	\$2,452,089,356	\$2,388,175,335	(\$63,914,020)

General Description

The Company has identified those significant items affecting changes in the major categories of Rate Base for Proposed Interim Rates compared to Proposed Test Year 2024. This summary explains changes shown in Direct Schedule F-1 (IR).

Item	Description and Basis
Prepayments	Prepayment differences are primarily due to inclusion of the prepaid pension asset in rate base for the Proposed Test Year, but not for Proposed Interim Rates.
Taconite Harbor Energy Center	Taconite Harbor Energy Center differences are primarily due to inclusion of the Taconite Harbor Energy Center regulated asset in rate base for the Proposed Test Year but not for Proposed Interim Rates.
Accumulated Deferred Income Taxes	The increase in Accumulated Deferred Income Taxes is associated with the change for income prepayments for the prepaid pension assets described above.

Line No.	Description	Total Company			Minnesota Jurisdiction		
		Proposed Test Year	Proposed Interim Rates	Difference	Proposed Test Year	Proposed Interim Rates	Difference
		2024	2024		2024	2024	
		(1)	(2)	(3)	(4)	(5)	(6)
1	Operating Revenue						
2	Sales by Rate Class	\$837,984,199	\$835,796,157	(\$2,188,043)	\$734,312,413	\$732,124,371	(\$2,188,043)
3	Dual Fuel	\$10,440,637	\$10,410,296	(\$30,341)	\$10,440,637	\$10,410,296	(\$30,341)
4	Intersystem Sales	\$43,949,904	\$43,949,904		\$37,829,282	\$37,829,282	
5	LP Demand Response	(\$864,000)	(\$1,562,400)	(\$698,400)	(\$864,000)	(\$1,562,400)	(\$698,400)
6	Sales for Resale	\$136,917,978	\$139,514,830	\$2,596,852	\$118,880,356	\$121,182,985	\$2,302,629
7	Total Revenue from Sales	\$1,028,428,718	\$1,028,108,786	(\$319,932)	\$900,598,688	\$899,984,534	(\$614,155)
8	Other Operating Revenue	\$70,632,503	\$71,093,140	\$460,636	\$58,897,138	\$59,307,041	\$409,903
9	Total Operating Revenue	\$1,099,061,221	\$1,099,201,926	\$140,705	\$959,495,826	\$959,291,575	(\$204,252)
10							
11	Operating Expenses Before AFUDC						
12	Operation and Maintenance Expenses						
13	Steam Production	(\$53,712,819)	(\$42,949,459)	\$10,763,360	(\$47,166,222)	(\$37,624,288)	\$9,541,934
14	Hydro Production	(\$5,761,133)	(\$5,761,133)		(\$5,015,418)	(\$5,015,418)	
15	Wind Production	(\$20,497,197)	(\$20,497,197)		(\$18,171,175)	(\$18,171,175)	
16	Solar Production						
17	Other Power Supply	(\$1,700,940)	(\$1,700,940)		(\$1,507,917)	(\$1,507,917)	
18	Purchased Power	(\$355,977,647)	(\$356,774,507)	(\$796,860)	(\$307,798,516)	(\$308,504,949)	(\$706,432)
19	Fuel	(\$137,790,866)	(\$137,790,866)		(\$118,376,133)	(\$118,376,133)	
20	Total Production	(\$575,440,602)	(\$565,474,102)	\$9,966,500	(\$498,035,381)	(\$489,199,880)	\$8,835,502
21	Transmission	(\$64,120,441)	(\$64,120,441)		(\$53,200,711)	(\$53,200,711)	
22	Distribution	(\$29,326,683)	(\$29,326,683)		(\$27,735,048)	(\$27,735,048)	
23	Customer Accounting	(\$6,936,896)	(\$6,936,896)		(\$6,877,280)	(\$6,877,280)	
24	Customer Service and Information	(\$1,808,731)	(\$1,808,731)		(\$1,793,529)	(\$1,793,529)	
25	Conservation Improvement Program	(\$12,531,684)	(\$12,531,684)		(\$12,531,684)	(\$12,531,684)	
26	Sales	(\$24,373)	(\$24,373)		(\$24,373)	(\$24,373)	
27	Administrative and General	(\$80,433,369)	(\$80,399,625)	\$33,744	(\$71,414,506)	(\$71,384,478)	\$30,028
28	Charitable Contributions	(\$257,786)	(\$257,786)		(\$229,394)	(\$229,394)	
29	Interest on Customer Deposits	(\$2,520,000)	(\$2,520,000)	\$0	(\$2,520,000)	(\$2,520,000)	\$0
30	Total Operation and Maintenance Expenses	(\$773,400,564)	(\$763,400,320)	\$10,000,244	(\$674,361,906)	(\$665,496,377)	\$8,865,529
31	Depreciation Expense	(\$158,714,767)	(\$158,714,767)		(\$140,847,638)	(\$140,847,638)	
32	Amortization Expense	(\$21,350,623)	(\$22,688,158)	(\$1,337,534)	(\$18,953,656)	(\$20,139,407)	(\$1,185,751)
33	Taxes Other Than Income Taxes	(\$60,794,696)	(\$60,794,696)		(\$53,028,788)	(\$53,028,788)	
34	Income Taxes	(\$14,389,579)	(\$17,347,441)	(\$2,957,862)	(\$12,162,029)	(\$14,690,825)	(\$2,528,797)
35	Deferred Income Taxes	\$33,260,218	\$33,260,218		\$29,314,780	\$29,314,780	
36	Investment Tax Credit	\$915,552	\$915,552		\$807,593	\$807,593	
37	Total Operating Expenses Before AFUDC	(\$994,474,459)	(\$988,769,611)	\$5,704,848	(\$869,231,645)	(\$864,080,663)	\$5,150,982
38							
39	Operating Income Before AFUDC	\$104,586,762	\$110,432,315	\$5,845,553	\$90,264,182	\$95,210,912	\$4,946,730
40	Allowance for Funds Used During Construction	\$3,696,987	\$3,696,987		\$3,238,550	\$3,238,550	
41	Total Operating Income	\$108,283,749	\$114,129,301	\$5,845,553	\$93,502,732	\$98,449,462	\$4,946,730

General Description

The Company has identified those significant items affecting changes in the major categories of Operating Income for Proposed Interim Rates compared to Proposed Test Year. This summary explains changes shown in Direct Schedule F-3(IR).

Item	Description and Basis
Years of Service Awards	The Company is proposing to include Years of Service award expense in the Proposed Test Year, but not in Proposed Interim Rates. The adjustment to exclude it from Interim Rates is shown in Direct Schedule B-8(IR), column 8 (Total Company) and B-7(IR), column 8 (MN Jurisdiction). Volume 4, Workpapers ADJ-IS-7 includes details.
Boswell 1 and 2 Reg Asset	The Company is adding the final third year of the Boswell 1 and 2 Regulated Asset amortization to Proposed Interim Rates, but not including it in the Proposed Test Year. The adjustment to include it in Interim Rates is shown in Direct Schedule B-8(IR), column 12 (Total Company) and B-7(IR), column 12 (MN Jurisdiction). Volume 4, Workpapers ADJ-IS-11 includes details.
Service Center Sales	The Company is including the final third year of the Service Center Sales credit in Proposed Interim Rates, but not including it in the Proposed Test Year. The adjustment to exclude it from the Proposed Test Year is shown in Direct Schedule C-10, column 13 (Total Company) and C-9, column 13 (MN Jurisdiction). Volume 4, Workpapers ADJ-IS-14 includes details.
NOx Allowances	The Company is proposing to include NOx Allowances in the Proposed Test Year, but no in Proposed Interim Rates. The adjustment to exclude it from Interim Rates is shown in Direct Schedule B-8(IR), column 24 (Total Company) and B-7(IR), column 24 (MN Jurisdiction). Volume 4, Workpapers ADJ-IS-24 includes details.
LP Demand Response	Adjustments to LP Demand response products are included in the Proposed Test Year, but not in Proposed Interim Rates. The increase to Proposed Test year revenue is shown on Direct Schedule C-10, column 26 (Total Company) and Direct Schedule C-9, column 26 (MN Jurisdiction). Volume 4, Workpaper ADJ-IS-28 includes the details.

Capacity Revenue and
Expenses

Proposed Test Year adjustment to move both energy and capacity sales credit from the FAC and capacity expense from base rates to a new rider. The adjustment is shown on Direct Schedule C-10, column 27 (Total Company) and Direct Schedule C-9, column 27 (MN Jurisdiction). Volume 4, Workpaper ADJ-IS-29 includes the details.

Income Taxes

The changes described above also impacts Income Taxes as shown in Direct Schedule F-3(IR).

Jurisdictional Changes

In addition to the changes above, a number of changes occur in the Minnesota Jurisdiction as a result of changes to allocation factors due to all test year adjustments.

Line No.	Description	Calculation Note	Minnesota Jurisdiction		Difference
			Proposed Test Year 2024	Proposed Interim Rates 2024	
		(1)	(2)	(3)	(4)
1	Average Rate Base		\$2,452,089,356	\$2,388,175,335	(\$63,914,020)
2	Operating Income Before AFUDC		\$90,264,182	\$95,210,912	\$4,946,730
3	AFUDC		\$3,238,550	\$3,238,550	
4	Operating Income	Line 2 + Line 3	\$93,502,732	\$98,449,462	\$4,946,730
5	Rate of Return	Line 4 / Line 1	3.8132%	4.1224%	0.3092%
6	Required Rate of Return		7.5286%	7.1841%	(0.3445%)
7	Required Operating Income	Line 1 * Line 6	\$184,607,999	\$171,568,904	(\$13,039,095)
8	Operating Income Deficiency	Line 7 - Line 4	\$91,105,267	\$73,119,442	(\$17,985,825)
9	Gross Revenue Conversion Factor		1.40335	1.40335	
10	Revenue Deficiency	Line 8 * Line 9	\$127,852,686	\$102,612,257	
11	Present Rates Revenue From Sales by Rate Class and Dual Fuel		\$744,753,050	\$742,534,666	(\$2,218,384)
12	Required Percent Increase	Line 10 / Line 11	17.17%	13.82%	