

**Northern States Power Company
South Dakota
Revenue Requirement Model Description**

Section N

20:10:13:97. Statement N -- Allocated cost of service. Statement N shall show for the test period the cost of service allocated to the jurisdictional sales or services for which the increased rates or charges are proposed, including the principal determinants used for allocation purposes. Allocated cost of service per books and per claimed adjustments shall be shown separately. This statement shall show the following for the overall cost of service:

(1) Grouping and allocation of various items of cost and credits to cost of service into functional totals;

(2) Classification of items of cost and credits into demand, energy, customer, or other appropriate categories;

(3) If the filing public utility considers for rate purposes certain special facilities to be devoted entirely to the jurisdictional service involved, it shall show, in addition to the overall cost of service, the cost of service related to the special facilities;

(4) Computations showing the energy responsibilities of the jurisdictional service, based upon consideration of energy sales under the proposed rate schedules and the KWH, MCF or BTU delivered from the filing public utility's supply system;

(5) Estimated peak electric hour or peak gas period and annual energy or system losses applicable to jurisdictional sales expressed as a percentage of system output;

(6) Details of allocation of general or common or joint costs to various functions;

(7) Sufficient detailed breakdown of operation and maintenance expense accounts and taxes to disclose how component items have been classified among energy, class of customer, or other category of cost.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL [49-34A-4](#).

Law Implemented: SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

ROE = 8.13%
Deficiency \$000s = \$7,083
% Increase = 3.61%
Required ROE = 10.25%

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**Northern States Power Company
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2013 Unadjusted Cost of Service**

Summary Reports

June 1, 2014

Includes secondary calculations:

- Cash Working Capital
- Net Operating Loss

Line No.	NSPM - 01 Rate Base Schedule	Total	SD Electric	Other
1	Plant Investment	15,054,769	930,106	14,124,663
2	<u>Depreciation Reserve</u>	<u>7,240,322</u>	<u>442,095</u>	<u>6,798,227</u>
3	Net Utility Plant	7,814,447	488,011	7,326,436
4	CWIP	-	-	-
5				
6	Accumulated Deferred Taxes	1,972,890	124,256	1,848,634
7	DTA - NOL Average Balance	(216,777)	(15,080)	(201,697)
8	DTA - State Tax Credit Average Balance	(320)	-	(320)
9	<u>DTA - Federal Tax Credit Average Balance</u>	<u>(64,492)</u>	<u>(2,641)</u>	<u>(61,851)</u>
10	Total Accumulated Deferred Taxes	1,691,301	106,535	1,584,766
11				
12	Cash Working Capital	(87,243)	(4,381)	(82,862)
13	Materials and Supplies	138,074	8,432	129,642
14	Fuel Inventory	86,478	5,069	81,409
15	Non-plant Assets and Liabilities	26,226	1,458	24,769
16	Customer Advances	(5,616)	(1,487)	(4,128)
17	Customer Deposits	(2,920)	(178)	(2,742)
18	Prepays and Other	121,752	7,249	114,503
19	<u>Regulatory Amortizations</u>	<u>5,086</u>	<u>5,086</u>	<u>-</u>
20	Total Other RB Items	281,839	21,247	260,592
21				
22	Total Rate Base	6,404,986	402,724	6,002,262

Line No.	NSPM - 02 Income Statement Schedule	Total	SD Electric	Other
1	Operating Revenues			
2	Retail	3,375,328	196,310	3,179,018
3	Interdepartmental	680	-	680
4	Transportation	-	-	-
5	<u>Other Operating Rev - Non-Retail</u>	<u>696,143</u>	<u>44,765</u>	<u>651,378</u>
6	Total Operating Revenues	4,072,151	241,075	3,831,076
7				
8	Expenses			
9	Operating Expenses:			
10	Fuel	1,301,714	76,299	1,225,415
11	Deferred Fuel	(261)	(15)	(246)
12	Variable IA Production Fuel	20,676	1,212	19,464
13	<u>Purchased Energy - Windsources</u>	<u>5,576</u>	<u>-</u>	<u>5,576</u>
14	Fuel & Purchased Energy Total	1,327,705	77,495	1,250,210
15	Production - Fixed	415,324	25,368	389,956
16	Production - Fixed IA Investment	47,843	2,922	44,920
17	Production - Variable	131,426	7,703	123,722
18	Production - Purchased Demand	165,858	10,131	155,728
19	<u>Production - Other</u>	<u>2,793</u>	<u>929</u>	<u>1,864</u>
20	Production Total	763,243	47,053	716,190
21	Regional Markets	10,856	663	10,193
22	Transmission IA	68,398	4,178	64,221
23	Transmission	175,942	10,747	165,195
24	Distribution	121,107	8,068	113,039
25	Customer Accounting	55,250	3,789	51,462
26	Customer Service & Information	84,610	994	83,617
27	Sales, Econ Dvlp & Other	18	1	17
28	<u>Administrative & General</u>	<u>251,401</u>	<u>15,618</u>	<u>235,782</u>
29	Total Operating Expenses	2,858,531	168,605	2,689,926
30				
31	Depreciation	401,171	24,492	376,678
32	Amortization	25,537	327	25,210
33				
34	Taxes:			
35	Property Taxes	153,141	8,166	144,976
36	ITC Amortization	(1,493)	(70)	(1,423)
37	Deferred Taxes	294,129	20,965	273,164
38	Deferred Taxes - NOL	(70,332)	(6,309)	(64,023)
39	Less Deferred State Tax Credits	(640)	-	(640)
40	<u>Less Deferred Federal Tax Credits</u>	<u>(28,021)</u>	<u>(1,642)</u>	<u>(26,378)</u>
41	Deferred Income Tax & ITC	193,643	12,944	180,699
42	Payroll & Other Taxes	33,609	2,051	31,558
43	Total Taxes Other Than Income	380,394	23,160	357,234
44	Total State & Federal Income Taxes	(39,168)	(2,479)	(36,689)
45				
46	Total Taxes	341,225	20,681	320,544
47	Total Expenses	3,626,464	214,106	3,412,359
48	Total Operating Income	445,687	26,970	418,717
49				
50	AFDC Debt	-	-	-
51	AFDC Equity	-	-	-
52				
53	Net Income	445,687	26,970	418,717

Line No.	NSPM - 03 Income Tax Schedule	Total	SD Electric	Other
1	<u>Income Before Taxes</u>			
2	Total Operating Revenues	4,072,151	241,075	3,831,076
3	less: Total Operating Expenses	2,858,531	168,605	2,689,926
4	Book Depreciation	401,171	24,492	376,678
5	Amortization	25,537	327	25,210
6	<u>Taxes Other than Income</u>	<u>380,394</u>	<u>23,160</u>	<u>357,234</u>
7	Total Before Tax Book Income	406,519	24,491	382,028
8				
9	<u>Tax Additions</u>			
10	Book Depreciation	401,171	24,492	376,678
11	Deferred Income Taxes and ITC	193,643	12,944	180,699
12	Nuclear Fuel Burn (ex D&D)	108,436	6,623	101,813
13	Nuclear Outage Accounting	71,482	4,283	67,200
14	Avoided Tax Interest	32,049	1,982	30,067
15	<u>Other Book Additions</u>	<u>-</u>	<u>-</u>	<u>-</u>
16	Total Tax Additions	806,781	50,324	756,457
17				
18	<u>Tax Deductions</u>			
19	Total Rate Base	6,404,986	402,724	6,002,262
20	Weighted Cost of Debt	2.32%	2.32%	2.32%
21	Debt Interest Expense (Line 19 x Line 20)	148,596	9,343	139,252
22	Nuclear Outage Accounting	115,611	6,939	108,672
23	Tax Depreciation and Removals	1,160,490	77,658	1,082,832
24	Federal Sec 199 Production Deduction	162	-	162
25	NOL Generated	(345,695)	(27,026)	(318,669)
26	NOL Utilization	173,444	11,579	161,865
27	<u>Other Tax / Book Timing Differences</u>	<u>56,487</u>	<u>3,406</u>	<u>53,081</u>
28	Total Tax Deductions	1,309,094	81,898	1,227,196
29				
30	<u>State Taxes</u>			
31	State Taxable Income	(95,794)	(7,083)	(88,711)
32	State Income Tax Rate	9.06%		9.78%
33	State Taxes before Credits (Line 31 x Line 32)	(8,678)	-	(8,678)
34	Less State Tax Credits	(640)	-	(640)
35	<u>Deferred State Tax Credits due to NOL</u>	<u>640</u>	<u>-</u>	<u>640</u>
36	Total State Income Taxes	(8,678)	-	(8,678)
37				
38	<u>Federal Taxes</u>			
39	Federal Taxable Income	(87,116)	(7,083)	(80,033)
40	Federal Income Tax Rate	35.00%	35.00%	35.00%
41	Federal Tax before Credits (Line 39 x Line 40)	(30,491)	(2,479)	(28,012)
42	Less Federal Tax Credits	(5,362)	(314)	(5,048)
43	<u>Deferred Federal Tax Credits due to NOL</u>	<u>5,362</u>	<u>314</u>	<u>5,048</u>
44	Total Federal Income Taxes	(30,491)	(2,479)	(28,012)
45				
46	Total Taxes			
47	Total Federal and State Income Taxes	(39,168)	(2,479)	(36,689)

Line No.	NSPM - 04 Revenue Deficiency Schedule	Total			SD Electric			Other		
		Rate	Ratio	Wtd Cost	Rate	Ratio	Wtd Cost	Rate	Ratio	Wtd Cost
1	Weighted Cost of Capital									
2										
3	Long Term Debt	5.04%	46.14%	2.32%	5.04%	46.14%	2.32%	5.04%	46.14%	2.32%
4	Common Equity	10.25%	53.86%	<u>5.52%</u>	10.25%	53.86%	<u>5.52%</u>	10.25%	53.86%	<u>5.52%</u>
5										
6	Required Rate Of Return			7.84%			7.84%			7.84%
7										
8	Composite Income Tax Rate									
9	State Tax Rate			9.06%						9.78%
10	Federal Statutory Tax Rate			35.00%			35.00%			35.00%
11	<u>Federal Effective Tax Rate</u>			<u>31.83%</u>			<u>35.00%</u>			<u>31.58%</u>
12	Composite Tax Rate			40.89%			35.00%			41.36%
13										
14	Rate of Return (ROR)									
15	Total Operating Income			445,687			26,970			418,717
16	<u>Total Rate Base</u>			<u>6,404,986</u>			<u>402,724</u>			<u>6,002,262</u>
17	ROR (Operating Income / Rate Base)			6.96%			6.70%			6.98%
18										
19	Return on Equity (ROE)									
20	Total Operating Income			445,687			26,970			418,717
21	Debt Interest (Rate Base * Weighted Cost of Debt)			(148,596)			(9,343)			(139,252)
22	Earnings Available for Common			297,091			17,626			279,465
23	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>			<u>3,449,725</u>			<u>216,907</u>			<u>3,232,818</u>
24	ROE (earnings for Common/Equity Rate Base)			8.61%			8.13%			8.64%
25										
26	Revenue Deficiency									
27	Required Operating Income (Rate Base * Required Return)			502,151			31,574			470,577
28	<u>Total Operating Income</u>			<u>445,687</u>			<u>26,970</u>			<u>418,717</u>
29	Operating Income Deficiency			56,464			4,604			51,860
30										
31	<u>Revenue Conversion Factor (1/(1-Composite Tax Rate))</u>			<u>1.6921</u>			<u>1.5385</u>			<u>1.7058</u>
32	Revenue Deficiency (Income Deficiency * Conversion Factor)			95,545			7,083			88,462
33										
34	Total Revenue Requirements									
35	Total Retail Revenues			3,376,008			196,310			3,179,698
36	Revenue Deficiency			95,545			7,083			88,462
37	Total Revenue Requirements			3,471,554			203,393			3,268,161

Line No.	NSPM - 05 Summary Cash Working Capital	Lead/Lag Days	Total		SD Electric		Other	
			Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days
1	Fuel Expenses							
2	Coal and Rail Transport	18.84	269,840	5,083,777	15,816	297,981	254,023	4,785,797
3	Gas for Generation	37.99	145,354	5,521,995	8,520	323,666	136,834	5,198,329
4	Oil	20.08	3,001	60,265	176	3,532	2,825	56,733
5	Nuclear and EOL		98,089	-	5,724	-	92,365	-
6	Nuclear Disposal	76.00	10,347	786,362	632	48,031	9,715	738,331
7	Subtotal Fuel Expenses		526,631	11,452,400	30,868	673,210	495,763	10,779,189
8								
9	Purchased Power							
10	Purchases	33.47	364,848	12,211,454	21,693	726,081	343,154	11,485,373
11	Interchange	38.25	136,917	5,237,069	8,312	317,930	128,605	4,919,139
12	SubTotal Purchased Power		501,765	17,448,524	30,005	1,044,011	471,759	16,404,513
13								
14	Labor and Related							
15	Regular Payroll	11.70	414,694	4,851,925	25,855	302,501	388,840	4,549,423
16	Incentive	256.50	35,861	9,198,469	2,173	557,323	33,689	8,641,147
17	Pension and Benefits	32.86	91,750	3,014,900	5,671	186,340	86,079	2,828,560
18	SubTotal Labor and Related		542,306	17,065,294	33,698	1,046,164	508,607	16,019,130
19								
20	All Other Operating Expenses							
21	Property taxes	41.41	1,287,830	53,329,029	74,033	3,065,724	1,213,796	50,263,305
22	Employer's Payroll Taxes	355.77	153,141	54,483,140	8,166	2,905,043	144,976	51,578,097
23	Gross Earnings Tax	34.65	33,609	1,164,551	2,051	71,054	31,558	1,093,497
24	Federal Income Tax		-	-	-	-	-	-
25	State Income Tax	38.75	(30,491)	(1,181,516)	(2,479)	(96,062)	(28,012)	(1,085,454)
26	State Sales Tax Customer Billings	31.00	(8,678)	(269,007)	-	-	(8,678)	(269,007)
27	Total Expenses		3,006,113	153,492,415	176,342	8,709,144	2,829,771	144,783,271
28	Net Annual Expense			420,527		23,861		396,666
29								
30	Revenues							
31	Retail Revenue	41.01	3,378,441	138,549,885	199,423	8,178,354	3,179,018	130,371,531
32	Late Payment		5,825	-	372	-	5,453	-
33	Interdepartmental		680	-	-	-	680	-
34	Misc Services	41.01	3,095	126,944	307	12,610	2,788	114,334
35	CIP Incentive		(15,045)	-	-	-	(15,045)	-
36	Rentals	(31.99)	4,148	(132,700)	253	(8,089)	3,895	(124,611)
37	Interchange	38.25	452,573	17,310,901	27,107	1,036,847	425,465	16,274,054
38	Sales for Resale	37.67	72,095	2,715,807	5,157	194,261	66,938	2,521,546
39	Retail Rev Lag Days	37.67	7,043	265,325	(1,504)	(56,649)	8,547	321,974
40	MISO	14.00	8,567	119,933	523	7,326	8,043	112,608
41	Wholesale Lag Days	37.67	154,287	5,811,984	9,436	355,456	144,851	5,456,528
42	Total Revenues		4,071,709	164,768,079	241,075	9,720,115	3,830,634	155,047,964
43								
44	Net Annual Amount			451,419		26,630		424,789
45	Expense/Revenue Factor			0.74		0.73		0.74
46	Allocated Revenue Amount			333,285		19,480		313,805
47	Net Cash Working Capital			(87,243)		(4,381)		(82,862)

ROE = 5.90%
Deficiency \$000s = \$15,600
% Increase 7.97%
Required ROE = 10.25%

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**Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2013 Pro Forma**

Summary Reports

June 1, 2014

Line No.	NSPM - 01 Rate Base Schedule	Total	SD Electric	Other
1	Plant Investment	15,915,384	977,990	14,937,395
2	<u>Depreciation Reserve</u>	<u>7,318,794</u>	<u>448,120</u>	<u>6,870,673</u>
3	Net Utility Plant	8,596,591	529,869	8,066,721
4	CWIP	-	-	-
5				
6	Accumulated Deferred Taxes	2,081,546	130,087	1,951,459
7	DTA - NOL Average Balance	(228,509)	(12,614)	(215,895)
8	DTA - State Tax Credit Average Balance	(320)	-	(320)
9	<u>DTA - Federal Tax Credit Average Balance</u>	<u>(4,501)</u>	<u>(1,977)</u>	<u>(2,524)</u>
10	Total Accumulated Deferred Taxes	1,848,217	115,496	1,732,721
11				
12	Cash Working Capital	(123,296)	(6,038)	(117,258)
13	Materials and Supplies	138,074	8,432	129,642
14	Fuel Inventory	86,478	5,069	81,409
15	Non-plant Assets and Liabilities	26,226	1,458	24,769
16	Customer Advances	(5,616)	(1,487)	(4,128)
17	Customer Deposits	(2,920)	(178)	(2,742)
18	Prepays and Other	121,324	6,821	114,503
19	<u>Regulatory Amortizations</u>	<u>4,792</u>	<u>4,792</u>	<u>-</u>
20	Total Other RB Items	245,064	18,868	226,196
21				
22	Total Rate Base	6,993,438	433,242	6,560,196

Line No.	NSPM - 02 Income Statement Schedule	Total	SD Electric	Other
1	<u>Operating Revenues</u>			
2	Retail	3,287,629	195,850	3,091,778
3	Interdepartmental	680	-	680
4	<u>Other Operating Rev - Non-Retail</u>	<u>721,811</u>	<u>44,306</u>	<u>677,505</u>
5	Total Operating Revenues	4,010,120	240,156	3,769,963
6				
7	<u>Expenses</u>			
8	Operating Expenses:			
9	Fuel	1,293,690	75,091	1,218,599
10	Deferred Fuel	(261)	(15)	(246)
11	Variable IA Production Fuel	20,676	1,212	19,464
12	<u>Purchased Energy - Windsourse</u>	<u>5,576</u>	<u>-</u>	<u>5,576</u>
13	Fuel & Purchased Energy Total	1,319,681	76,288	1,243,393
14	Production - Fixed	415,324	25,368	389,956
15	Production - Fixed IA Investment	47,843	2,922	44,920
16	Production - Variable	131,426	7,703	123,722
17	Production - Purchased Demand	165,858	10,131	155,728
18	<u>Production - Other</u>	<u>2,793</u>	<u>929</u>	<u>1,864</u>
19	Production Total	763,243	47,053	716,190
20	Regional Markets	10,856	663	10,193
21	Transmission IA	68,398	4,178	64,221
22	Transmission	173,295	8,099	165,195
23	Distribution	120,833	7,794	113,039
24	Customer Accounting	55,250	3,789	51,462
25	Customer Service & Information	84,843	1,226	83,616
26	Sales, Econ Dvlp & Other	99	51	48
27	<u>Administrative & General</u>	<u>235,257</u>	<u>15,347</u>	<u>219,910</u>
28	Total Operating Expenses	2,831,755	164,487	2,667,268
29				
30	Depreciation	443,523	27,874	415,650
31	Amortization	25,951	741	25,210
32				
33	<u>Taxes:</u>			
34	Property Taxes	203,822	10,739	193,084
35	ITC Amortization	(1,493)	(70)	(1,423)
36	Deferred Taxes	238,489	16,960	221,530
37	Deferred Taxes - NOL	3,528	(1,377)	4,905
38	Less Deferred State Tax Credits	(640)	-	(640)
39	<u>Less Deferred Federal Tax Credits</u>	<u>(5,362)</u>	<u>(314)</u>	<u>(5,048)</u>
40	Deferred Income Tax & ITC	234,522	15,198	219,324
41	Payroll & Other Taxes	33,585	2,049	31,536
42	Total Taxes Other Than Income	471,929	27,985	443,944
43	Total State & Federal Income Taxes	(118,316)	(4,757)	(113,558)
44				
45	Total Taxes	353,614	23,228	330,385
46	Total Expenses	3,654,843	216,330	3,438,513
47	Total Operating Income	355,277	23,826	331,451
48				
49	AFDC Debt	-	-	-
50	AFDC Equity	-	-	-
51				
52	Net Income	355,277	23,826	331,451

Line No.	NSPM - 03 Income Tax Schedule	Total	SD Electric	Other
1	<u>Income Before Taxes</u>			
2	Total Operating Revenues	4,010,120	240,156	3,769,963
3	less: Total Operating Expenses	2,831,755	164,487	2,667,268
4	Book Depreciation	443,523	27,874	415,650
5	Amortization	25,951	741	25,210
6	<u>Taxes Other than Income</u>	<u>471,929</u>	<u>27,985</u>	<u>443,944</u>
7	Total Before Tax Book Income	236,961	19,069	217,892
8				
9	<u>Tax Additions</u>			
10	Book Depreciation	443,523	27,874	415,650
11	Deferred Income Taxes and ITC	234,522	15,198	219,324
12	Nuclear Fuel Burn (ex D&D)	108,436	6,623	101,813
13	Nuclear Outage Accounting	71,482	4,283	67,200
14	Avoided Tax Interest	19,773	669	19,104
15	<u>Other Book Additions</u>	<u>-</u>	<u>-</u>	<u>-</u>
16	Total Tax Additions	877,736	54,646	823,090
17				
18	<u>Tax Deductions</u>			
19	Total Rate Base	6,993,438	433,242	6,560,196
20	Weighted Cost of Debt	2.32%	2.32%	2.32%
21	Debt Interest Expense (Line 19 x Line 20)	162,248	10,051	152,197
22	Nuclear Outage Accounting	115,611	6,939	108,672
23	Tax Depreciation and Removals	1,060,555	70,292	990,264
24	Federal Sec 199 Production Deduction	162	-	162
25	NOL Generated	(164,958)	(14,959)	(150,000)
26	NOL Utilization	173,444	11,579	161,865
27	<u>Other Tax / Book Timing Differences</u>	<u>56,487</u>	<u>3,406</u>	<u>53,081</u>
28	Total Tax Deductions	1,403,548	87,307	1,316,241
29				
30				
31	<u>State Taxes</u>			
32	State Taxable Income	(288,851)	(13,592)	(275,259)
33	State Income Tax Rate	9.17%		9.62%
34	State Taxes before Credits (Line 31 x Line 32)	(26,489)	-	(26,489)
35	Less State Tax Credits	(640)	-	(640)
36	<u>Deferred State Tax Credits due to NOL</u>	<u>640</u>	<u>-</u>	<u>640</u>
37	Total State Income Taxes	(26,489)	-	(26,489)
38				
39	<u>Federal Taxes</u>			
40	Federal Taxable Income	(262,362)	(13,592)	(248,770)
41	Federal Income Tax Rate	35.00%	35.00%	35.00%
42	Federal Tax before Credits (Line 39 x Line 40)	(91,827)	(4,757)	(87,069)
43	Less Federal Tax Credits	(5,362)	(314)	(5,048)
44	<u>Deferred Federal Tax Credits due to NOL</u>	<u>5,362</u>	<u>314</u>	<u>5,048</u>
45	Total Federal Income Taxes	(91,827)	(4,757)	(87,069)
46				
47	Total Taxes			
48	Total Federal and State Income Taxes	(118,316)	(4,757)	(113,558)

Line No.	NSPM - 04 Revenue Deficiency Schedule	Total			SD Electric			Other		
		Rate	Ratio	Wtd Cost	Rate	Ratio	Wtd Cost	Rate	Ratio	Wtd Cost
1	Weighted Cost of Capital									
2										
3	Long Term Debt	5.04%	46.14%	2.32%	5.04%	46.14%	2.32%	5.04%	46.14%	2.32%
4	Common Equity	10.25%	53.86%	<u>5.52%</u>	10.25%	53.86%	<u>5.52%</u>	10.25%	53.86%	<u>5.52%</u>
5										
6	Required Rate Of Return			7.84%			7.84%			7.84%
7										
8	Composite Income Tax Rate									
9	State Tax Rate			9.17%						9.62%
10	Federal Statutory Tax Rate			35.00%			35.00%			35.00%
11	<u>Federal Effective Tax Rate</u>			<u>31.79%</u>			<u>35.00%</u>			<u>31.63%</u>
12	Composite Tax Rate			40.96%			35.00%			41.26%
13										
14	Rate of Return (ROR)									
15	Total Operating Income			355,277			23,826			331,451
16	<u>Total Rate Base</u>			<u>6,993,438</u>			<u>433,242</u>			<u>6,560,196</u>
17	ROR (Operating Income / Rate Base)			5.08%			5.50%			5.05%
18										
19	Return on Equity (ROE)									
20	Total Operating Income			355,277			23,826			331,451
21	Debt Interest (Rate Base * Weighted Cost of Debt)			(162,248)			(10,051)			(152,197)
22	Earnings Available for Common			193,029			13,775			179,254
23	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>			<u>3,766,666</u>			<u>233,344</u>			<u>3,533,322</u>
24	ROE (earnings for Common/Equity Rate Base)			5.12%			5.90%			5.07%
25										
26	Revenue Deficiency									
27	Required Operating Income (Rate Base * Required Return)			548,286			33,966			514,319
28	<u>Total Operating Income</u>			<u>355,277</u>			<u>23,826</u>			<u>331,451</u>
29	Operating Income Deficiency			193,009			10,140			182,869
30										
31	<u>Revenue Conversion Factor (1/(1-Composite Tax Rate))</u>			<u>1.6935</u>			<u>1.5385</u>			<u>1.7021</u>
32	Revenue Deficiency (Income Deficiency * Conversion Factor)			326,852			15,600			311,252
33										
34	Total Revenue Requirements									
35	Total Retail Revenues			3,288,309			195,850			3,092,459
36	Revenue Deficiency			326,852			15,600			311,252
37	Total Revenue Requirements			3,615,162			211,451			3,403,711

Line No.	NSPM - 05 Summary Cash Working Capital	Lead/Lag	Total		SD Electric		Other	
		Days	Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days
1	Fuel Expenses							
2	Coal and Rail Transport	18.84	269,840	5,083,777	15,816	297,981	254,023	4,785,797
3	Gas for Generation	37.99	145,354	5,521,995	8,520	323,666	136,834	5,198,329
4	Oil	20.08	3,001	60,265	176	3,532	2,825	56,733
5	Nuclear and EOL		98,089	-	5,724	-	92,365	-
6	Nuclear Disposal	76.00	10,347	786,362	632	48,031	9,715	738,331
7	Subtotal Fuel Expenses		526,631	11,452,400	30,868	673,210	495,763	10,779,189
8								
9	Purchased Power							
10	Purchases	33.47	364,848	12,211,454	21,693	726,081	343,154	11,485,373
11	Interchange	38.25	136,917	5,237,069	8,312	317,930	128,605	4,919,139
12	SubTotal Purchased Power		501,765	17,448,524	30,005	1,044,011	471,759	16,404,513
13								
14	Labor and Related							
15	Regular Payroll	11.70	415,126	4,856,975	26,583	311,016	388,543	4,545,959
16	Incentive	256.50	21,524	5,520,902	1,416	363,242	20,108	5,157,660
17	Pension and Benefits	32.86	91,648	3,011,546	5,664	186,128	85,984	2,825,418
18	SubTotal Labor and Related		528,298	13,389,423	33,663	860,386	494,635	12,529,037
19								
20	All Other Operating Expenses							
21	Property taxes	355.77	203,822	72,513,920	10,739	3,820,488	193,084	68,693,431
22	Employer's Payroll Taxes	34.65	33,585	1,163,731	2,049	71,002	31,536	1,092,728
23	Gross Earnings Tax		-	-	-	-	-	-
24	Federal Income Tax	38.75	(91,827)	(3,558,282)	(4,757)	(184,344)	(87,069)	(3,373,938)
25	State Income Tax	31.00	(26,489)	(821,162)	-	-	(26,489)	(821,162)
26	State Sales Tax Customer Billings		-	-	-	-	-	-
27	Total Expenses		2,950,847	164,388,847	172,518	9,181,417	2,778,329	155,207,430
28	Net Annual Expense			450,380		25,155		425,226
29								
30	Revenues							
31	Retail Revenue	41.01	3,290,742	134,953,335	198,964	8,159,501	3,091,778	126,793,834
32	Late Payment		5,825	-	372	-	5,453	-
33	Interdepartmental		680	-	-	-	680	-
34	Misc Services	41.01	3,095	126,944	307	12,610	2,788	114,334
35	CIP Incentive		(15,045)	-	-	-	(15,045)	-
36	Rentals	(31.99)	4,148	(132,700)	253	(8,089)	3,895	(124,611)
37	Interchange	38.25	474,459	18,148,060	28,444	1,087,981	446,015	17,060,079
38	Sales for Resale	37.67	62,037	2,336,936	4,567	172,054	57,470	2,164,883
39	Retail Rev Lag Days	37.67	7,043	265,325	(1,504)	(56,649)	8,547	321,974
40	MISO	14.00	7,360	103,040	(683)	(9,568)	8,043	112,608
41	Wholesale Lag Days	37.67	154,287	5,811,984	9,436	355,456	144,851	5,456,528
42	Total Revenues		3,994,632	161,612,923	240,156	9,713,295	3,754,476	151,899,629
43								
44	Net Annual Amount			442,775		26,611,766.12		416,163
45	Expense/Revenue Factor			0.74		0.72		0.74
46	Allocated Revenue Amount			327,085		19,117		307,968
47	Net Cash Working Capital			(123,296)		(6,038)		(117,258)