

Purpose

Remove from Cost of Service the PTC tax credits that SD Commission ordered to flow through the fuel clause.

(1)

(2)

Line No.	10 Bridge Schedule by Adjustment Detail	Production Tax	
		NSPM-SD PTC to FCA	
1	<b>Composite Income Tax Rate</b>		
2	Federal Effective Tax Rate	35.00%	
3	Revenue Conversion Factor (1/(1--Composite	1.538462	
4			
5	Required Rate of Return	7.84%	
6			
7	<b>Rate Base</b>		
8			
9			
10			
11			
12	<b>Operating Revenues</b>		
13	Retail		
14	Interdepartmental		
15	Other Operating Rev - Non-Retail		
16	<b>Total Operating Revenues</b>		
17			
18	<b>Expenses</b>		
19	Operating Expenses:		
20	Customer Accounting		
21	Customer Service & Information		
22	Sales, Econ Dvlp & Other		
23	Administrative & General		
24	<b>Total Operating Expenses</b>		
25			
26	Depreciation		
27	Amortization		
28			
29	<b>Taxes:</b>		
30	Property Taxes		
31	ITC Amortization		
32	Deferred Taxes		
33	Less Deferred State Tax Credits		
34	Less Deferred Federal Tax Credits		
35	Deferred Income Tax & ITC		
36	Payroll & Other Taxes		
37	<b>Total Taxes Other Than Income</b>		
38			
39	<b>Income Before Taxes</b>		
40	Total Operating Revenues		
41	less: Total Operating Expenses		
42	Book Depreciation		
43	Amortization		
44	Taxes Other than Income		
45	<b>Total Before Tax Book Income</b>		
46			
47	<b>Tax Additions</b>		
48	Book Depreciation		
49	Deferred Income Taxes and ITC		
50	Nuclear Fuel Burn (ex. D&D)		
51	Nuclear Outage Accounting		
52	Avoided Tax Interest		
53	Other Book Additions		
54	<b>Total Tax Additions</b>		
55			
56	<b>Tax Deductions</b>		
57	Total Rate Base		
58	Weighted Cost of Debt	2.32%	
59	Debt Interest Expense		
60	Nuclear Outage Accounting		
61	Tax Depreciation and Removals		
62	Federal Sec 199 Production Deduction		

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(2)

Line No.	10 Bridge Schedule by Adjustment Detail	Production Tax
		NSPM-SD PTC to FCA
63	<u>Other Tax / Book Timing Differences</u>	-
64	<b>Total Tax Deductions</b>	
65		
66	<b>State Taxes</b>	
67	State Taxable Income	
68	State Income Tax Rate	
69	State Taxes before Credits	-
70	<u>Less State Tax Credits</u>	-
71	<b>Total State Income Taxes</b>	
72		
73	<b>Federal Taxes</b>	
74	Federal Taxable Income	
75	Federal Income Tax Rate	35.00%
76	Federal Tax before Credits	
77	Less Federal Tax Credits	1,328,097
78	<b>Total Federal Income Taxes</b>	1,328,097
79		
80	<b>Total Taxes</b>	
81	Total Taxes Other than Income	
82	<u>Total Federal and State Income Taxes</u>	1,328,097
83	<b>Total Taxes</b>	1,328,097
84		
85	<b>Total Operating Revenues</b>	
86	<b>Total Expenses</b>	1,328,097
87		
88	<b>Net Income</b>	<b>(1,328,097)</b>
89		
90	<b>Rate of Return (ROR)</b>	
91	Total Operating Income	(1,328,097)
92	<u>Total Rate Base</u>	-
93	<b>ROR (Operating Income / Rate Base)</b>	
94		
95	<b>Return on Equity (ROE)</b>	
96	Net Operating Income	(1,328,097)
97	Debt Interest (Rate Base * Weighted Cost of I	
98	Earnings Available for Common	(1,328,097)
99	<b>ROE (earnings for Common / Equity)</b>	
100		
101	<b>Revenue Deficiency</b>	
102	Required Operating Income (Rate Base * Rec	
103	<u>Net Operating Income</u>	(1,328,097)
104	<b>Operating Income Deficiency</b>	1,328,097
105		
106	<u>Revenue Conversion Factor (1/(1--Composite</u>	1.538462
107	<b>Revenue Deficiency (Income Deficiency * C</b>	<b>2,043,226</b>
108		
109	<b>Total Revenue Requirements</b>	
110	Total Retail Revenues	
111	<u>Revenue Deficiency</u>	2,043,226
112	<b>Total Revenue Requirements</b>	<b>2,043,226</b>
113		
114	Required Rate of Return, Last Authorized	7.78%
115	Revenue Deficiency at Last Authorized	2,043,226
116	Total Revenue Requirements at Last Authoriz	2,043,226
117		
118	Difference in Deficiency from Last Authorized	