

NorthWestern Energy
South Dakota Electric
Revenue Requirement Model Description

Schedule M-1

Schedule M-1 -- Overall cost of service. If the filing public utility claims any adjustments to book figures, the cost of service based upon the claimed adjustments shall be shown on a separate schedule.

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.

Line No.	Description	Test Year 13 month Average Per Books	Rate Case Expense	Normalizing Additions/Retirements during Test Year	Post Test Year Additions/Retirements	Depreciation Rate Change	Adjusted Rate Base
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Plant in Service						
2	Steam Generation	159,540,125	0	6,143,141	108,525,130	0	274,208,396
3	Other Generation	76,864,893	0	80,742	689,741	0	77,635,376
4	Transmission	128,495,562	0	3,313,782	24,067,475	0	155,876,820
5	Distribution	195,814,527	0	541,035	12,977,091	0	209,332,653
6	Intangible	35,851	0	0	0	0	35,851
7	General	14,164,334	0	47,234	1,084,463	0	15,296,031
8	Common - Intangible (Electric portion)	4,387,262	0	317,172	0	0	4,704,434
9	Common - General Plant (Electric portion)	32,697,495	0	0	0	0	32,697,495
10	Total Plant in Service	612,000,048	0	10,443,105	147,343,900	0	769,787,055
11							
12	Accumulated Depreciation						
13	Steam Generation	110,608,854	0	112,874	1,204,813	244,055	112,170,596
14	Other Generation	19,223,950	0	0	14,278	459,933	19,698,160
15	Transmission	53,695,727	0	93,988	631,115	1,500	54,422,329
16	Distribution	78,484,215	0	21,196	473,459	(7,965)	78,970,905
17	Intangible	12,821	0	0	0	0	12,821
18	General	4,034,567	0	522	130,174	(47,392)	4,117,871
19	Common - Intangible (Electric portion)	1,792,280	0	62,994	0	0	1,855,274
20	Common - General Plant (Electric portion)	9,388,643	0	0	0	0	9,388,643
21	Total Accumulated Depreciation	277,241,057	0	291,573	2,453,839	650,130	280,636,599
22							
23	Total Net Plant in Service	334,758,992	0	10,151,532	144,890,061	(650,130)	489,150,456
24							
25	Additions to Rate Base:						
26	Materials & Supplies	6,374,614	0	0	0	0	6,374,614
27	Fuel Stocks	6,129,782	0	0	0	0	6,129,782
28	Prepayments	5,037,249	0	0	0	0	5,037,249
29	Other - Rate Case Expense	0	97,569	0	0	0	97,569
30	Total Additions to Rate Base	17,541,645	97,569	0	0	0	17,639,214
31							
32	Deductions to Rate Base:						
33	Accumulated Deferred Income Tax	(54,095,902)	0	(35,015)	(1,075,045)	227,546	(54,978,417)
34	Uncollectibles	(548,421)	0	0	0	0	(548,421)
35	Customer Deposits	(528,797)	0	0	0	0	(528,797)
36	Cash Working Capital	0	0	(2,846,889)	0	0	(2,846,889)
37	Injuries and Damages	(489,158)	0	0	0	0	(489,158)
38	Total Deductions to Rate Base	(55,662,279)	-	(2,881,904)	(1,075,045)	227,546	(59,391,682)
39							
40	Total SD Electric Rate Base	296,638,358	97,569	7,269,628	143,815,016	(422,585)	447,397,986

Adjustment	Source	Description	Margin	Labor	Regulatory Amortization	O&M	Depreciation	Taxes	Income Taxes	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Schedule H-10	Option L Revenue	339,137						(118,698)	220,439
2	Schedule H-10	NSF Revenue	18,705						(6,547)	12,158
3	Schedule H-10	Tampering Fee Revenue	500						(175)	325
4	Schedule H-10	Reconnection Revenue	174,663						(61,132)	113,531
5	Schedule H-2	Basin & MRES Capacity				444,000			(155,400)	288,600
6	Schedule H-1	Labor		688,834					(241,092)	447,742
7	Statement L	Payroll Taxes, net of income tax						53,839	(18,843)	34,995
8	Schedule H-3	401K match for labor increase				59,278			(20,747)	38,531
9	Schedule H-3	Advertising				(172,967)			60,538	(112,428)
10	Schedule H-3	50% of Economic Development				(50,593)			17,707	(32,885)
11	Schedule H-5	SD Field Inventory				(560,232)			196,081	(364,151)
12	Schedule H-6	SPP Outsourcing				650,000			(227,500)	422,500
13	Schedule H-7	Bad Debt				(503,419)			176,197	(327,222)
14	Schedule H-8	Spousal travel on aircraft				(1,124)			393	(731)
15	Schedule H-9	Rate Case Expense				(30,092)			10,532	(19,560)
16	Schedule H-11	Lobbying		(30,189)		(5,467)			1,913	(33,743)
17	Statement J	Depreciation for new rates					3,395,540		(1,188,439)	2,207,101
18	Schedule H-12	Interest Sync							(1,311,558)	(1,311,558)
19	Statement L-1	Gross Receipts tax						39,764	(13,918)	25,847
20	Schedule H-13	Carrying Charge			6,281	381,682			(135,787)	252,176
Total Adjustments			533,005	658,645	6,281	211,066	3,395,540	93,603	(3,036,473)	1,861,667