

Revenue Requirement Model Logic
 Revenue Requirement Calculation

	Dec 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
CAPX2020 Brookings													
A Plant In-Service (CAA Input)	451,360,616	451,409,003	451,467,805	451,516,192	451,381,611	451,240,063	451,077,612	451,077,612	451,077,612	451,077,612	451,077,612	451,077,612	451,077,612
B Depreciation Reserve (CAA Input)	20,374,176	21,032,888	21,691,633	22,350,411	23,009,207	23,668,014	24,326,832	24,985,656	25,644,479	26,303,303	26,962,127	27,620,950	28,279,774
C Accumulated Deferred Taxes (CAA Input)	84,958,332	85,442,430	85,926,528	86,410,627	86,894,725	87,378,823	87,862,922	88,347,020	88,831,118	89,315,216	89,799,315	90,283,413	90,767,511
D (PIS - Reserve - ADIT)	346,028,108	344,933,685	343,849,643	342,755,154	341,477,679	340,193,226	338,887,859	337,744,937	336,602,015	335,459,093	334,316,171	333,173,249	332,030,327
E Average Rate Base (Prior Mo + Cur Month)/2		345,480,896	344,391,664	343,302,399	342,116,417	340,835,453	339,540,542	338,316,398	337,173,476	336,030,554	334,887,632	333,744,710	332,601,788
F Tax Depreciation Expense (CAA Input)		1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754	1,842,754
G Debt Return (Ave RB * Wtd Cost of Debt)													
H Equity Return (Ave RB * Wtd Cost of Equity)													
I Current Income Tax Requirement (See Below)		368,770	366,437	364,104	361,554	358,795	356,006	353,367	350,900	348,433	345,967	343,500	341,033
J Book Depreciation (CAA Input)		658,712	658,745	658,778	658,796	658,807	658,818	658,824	658,824	658,824	658,824	658,824	658,824
K Deferred Taxes (CAA Input)		484,098	484,098	484,098	484,098	484,098	484,098	484,098	484,098	484,098	484,098	484,098	484,098
L Total Revenue Requirement (G+H+I+J+K)		3,538,402	3,529,711	3,521,021	3,511,531	3,501,268	3,490,894	3,481,079	3,471,907	3,462,735	3,453,563	3,444,391	3,435,219
M Jurisdictional Revenue Requirement (L * SD Jur * MISO Share)		15,875	15,836	15,797	15,754	15,708	15,662	15,618	15,577	15,535	15,494	15,453	15,412
O Rider Revenue Requirement (M - O)		15,875	15,836	15,797	15,754	15,708	15,662	15,618	15,577	15,535	15,494	15,453	15,412

Total 2017
 Sum of Jan
 through Dec
 2017

187,721

Authorized Cost of Equity per EL14-058

	2017 Weighted Cost	Allocation Factors	Reconciliation to Attachment 4 Line 1 of Annual Tracker Summary Difference
Capital Structure			
Long Term Debt			
Short Term Debt			
Preferred Stock		0.06391 SD Jur Factor	
Common Equity		0.842731 IA Factor	
Required Rate of Return	7.0400%	0.053858938 SD Factor Below	
		0.0833 MISO Allocation	
Tax Rate (SD)	35.0000%		
MISO Responsibility Percentage	8.3300%		
SD Jurisdictional Factor	5.38589%		
Equity Return (Item H)			
Book Depreciation (Item J)	658,712	658,778	658,796
Deferred Taxes (Item K)	484,098	484,098	484,098
Less Tax Depreciation (Item F)	(1,842,754)	(1,842,754)	(1,842,754)
Plus CPI-Tax Interest (If Applicable)	0	0	0
Sum	684,859	680,526	676,193
Tax Rate (T/(1-T))	53.85%	53.85%	53.85%
Tax Calc (Sum * Tax Rate)	368,770	366,437	364,104

187,721

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