

Line	Description (a)	Staff Proposed South Dakota Electric Adjusted 2009	Settlement 10-011 South Dakota Electric Adjusted 2009	Difference (d)
		Test Year with TCJA Impacts* (b)	Test Year (c)	
1	Average Rate Base	\$ 68,781,053	\$ 67,511,819	\$ 1,269,234
2	Adjusted Test Year Operating Income	4,202,292	5,321,459	(1,119,167)
3	Earned Rate of Return	6.11%	7.88%	
4	Recommended Rate of Return	8.50%	8.50%	0
5	Required Operating Income	5,846,390	5,738,505	107,885
6	Income Deficiency (Excess)	1,644,098	417,046	1,227,052
7	Gross Revenue Conversion Factor	1.26582	1.53846	
8	Revenue Deficiency (Excess)	2,081,137	641,610	1,439,527
9	Gross Receipts Tax (at 0.0015)	3,122	962	2,160
10	Total Revenue Deficiency (Excess)	2,084,259	642,572	1,441,687
11	Adjusted Test Year Revenue	18,585,858	18,585,858	-
12	Revenue Requirement	\$ 20,670,117	\$ 19,228,430	\$ 1,441,687

SOURCES:

Column b, line 1: JPT-5, schedule 1, page 1, column d, line 31	Column c, line 1: Statement N, page 6 of 9, line 1, column South Dakota
Column b, line 2: JPT-4, schedule 2, page 1, column d, line 27	Column c, line 2: Statement N, page 6 of 9, line 3, column South Dakota
Column b, line 3: Line 2 divided by line 1	Column c, line 3: Line 2 divided by line 1
Column b, line 4: BLC-1, Schedule 1, column d, line 5	Column c, line 4: Statement G page 1 of 5
Column b, line 5: Line 1 * line 4	Column c, line 5: Statement N, page 6 of 9, line 9, column South Dakota
Column b, line 6: Line 5 less line 2	Column c, line 6: Statement N, page 6 of 9, line 13, column South Dakota
Column b, line 7: Effective FIT rate / inverse + 1	Column c, line 10: Statement N, page 6 of 9, line 17, column South Dakota
Column b, line 8: Line 6 * line 7	Column c, line 11: Statement N, page 8 of 9, line 5, column South Dakota
Column b, line 9: Line 8 * 0.0015	Column c, line 12: Line 10 plus line 11
Column b, line 10: Line 8 plus line 9	
Column b, line 11: JPT-4, schedule 2, page 1, column d, line 4	Column d: Column b less column c
Column b, line 12: Line 11 plus line 10	

***TCJA updates:**

- (1) Tax rate lowered from 35% to 21% - applied to all Staff Adjustments and used to calculate ADIT adjustments
- (2) Eliminated Bonus depreciation on eligible plant additions and adjusted non-bonus non-eligible other additions to MACRS in 2009. Luverne wind farm was the largest addition in 2009.
- (3) Added (reduced) ADIT related to the elimination of bonus depreciation and changes in tax depreciation.
- (4) Non-protected property is amortized at the ARAM to match the amortization of protected property.