

PUBLIC DOCUMENT
CONFIDENTIAL DATA HAS BEEN EXCISED

ANNUAL REPORT
OF
JURISDICTIONAL EARNINGS
BY
NORTHERN STATES POWER COMPANY,
doing business as Xcel Energy
TO THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

FOR THE YEAR ENDING

DECEMBER 31, 2025

South Dakota Jurisdiction
Electric Utility



2025

CONTENTS

Electric Utility

I.	Return on Equity	E-1
II.	Operating Income	E-2
III.	Average Rate Base	E-3
IV.	Cost of Capital	E-4
V.	Required Rate of Return	E-5
VI.	Revenue Deficiency	E-6
VII.	Cost of Service Actuals	E-7
VIII.	Cost of Service Weather Norm	E-8

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Northern States Power Company
Electric Utility - South Dakota

(Dollars In Thousands)

I. RETURN ON EQUITY (ROE)

<u>Actual Return on Equity (ROE)</u>	<u>2025</u>	<u>2024</u>
1 Operating Income from Electric Operations (E-2):	\$71,770	\$67,933
2 Average Regulated Rate Base (E-3):	\$1,157,649	\$1,062,445
3 Rate of Return on Rate Base (ROR) (line 1 / line 2):	6.20%	6.39%
4 Weighted Cost of Debt (E-4):	2.12%	2.11%
5 Weighted Cost of Preferred Stock (E-4):	0.00%	0.00%
6 % of Equity in Capital Structure (E-4):	53.18%	52.86%
7 Return on Equity (ROE):	7.67%	8.10%

<u>ROE, Normalized for Weather Impact on Sales</u>	<u>2025</u>	<u>2024</u>
8 Operating Income from Electric Operations:	\$71,199	\$69,166
9 Average Regulated Rate Base (E-3):	1,157,761	\$1,062,204
10 Rate of Return on Rate Base (ROR) (line 1 / line 2):	6.15%	6.51%
11 Weighted Cost of Debt (E-4):	2.12%	2.11%
12 Weighted Cost of Preferred Stock (E-4):	0.00%	0.00%
13 % of Equity in Capital Structure (E-4):	53.18%	52.86%
14 Weather-Normalized Return on Equity (ROE):	7.58%	8.33%

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Northern States Power Company
Electric Utility - South Dakota

(Dollars In Thousands)

II. OPERATING INCOME

<u>Line</u> <u>Item</u>	2025 Total NSP	2025 Act S.D. Juris.	2025 W/N S.D. Juris	2024 W/N S.D. Juris.	Annual Change
<u>Operating Revenues:</u>					
1 Residential	1,750,333	114,362	114,008	115,764	-1.5%
2 Small Comm. & Ind.	1,768,947	112,553	112,113	115,445	-2.9%
3 Large Comm. & Ind.	706,836	31,325	31,325	37,734	-17.0%
4 Public Street & Highway Ltg	30,156	1,782	1,782	1,699	4.9%
5 Other Sales to Publ Auth	11,359	4	4	4	0.1%
6 Total Retail	4,267,632	260,028	259,233	270,647	-4.2%
7 Interdepartmental	479	0	0	0	*
8 Sales for Resale	98,533	6,898	6,898	9,556	-27.8%
9 Interchange Agreement	487,147	34,732	34,732	31,750	9.4%
10 Other	540,657	37,856	37,856	6,162	514.4%
11 Total Revenues:	5,394,448	339,514	338,719	318,115	6.5%
<u>Operating Expenses:</u>					
12 Production	1,985,332	129,273	129,273	131,184	-1.5%
13 Transmission	460,139	32,794	32,794	29,871	9.8%
14 Distribution	127,653	7,561	7,561	7,085	6.7%
15 Customer Billing	71,333	4,169	4,169	4,036	3.3%
16 Customer Service	131,613	1,206	1,206	1,282	-5.9%
17 Sales & Marketing	4,433	72	72	113	-36.2%
18 Admin. & General	291,108	21,182	21,182	19,953	6.2%
19 Depreciation & Amortization	1,095,691	74,937	74,937	69,505	7.8%
20 Property Taxes	205,712	11,522	11,522	11,055	4.2%
21 Other General Taxes ¹	33,274	2,328	2,328	2,123	9.7%
22 Income Taxes	4,848	(0)	(0)	(0)	-71.6%
23 Deferred Income Taxes & ITC	(191,152)	(17,302)	(17,525)	(27,258)	-35.7%
24 Total Expenses:	4,219,982	267,744	267,520	248,949	7.5%
25 Regulated Operating Income	1,174,465	71,770	71,199	69,166	2.9%

¹ Includes payroll taxes.

Northern States Power Company Electric Utility - South Dakota

(Dollars In Thousands)

III. AVERAGE RATE BASE

<u>Line</u> <u>Item</u>	<u>2025</u> <u>Total NSP</u>	<u>2025</u> <u>S.D. Juris.</u>	<u>2025 W/N</u> <u>S.D. Juris</u>	<u>2024 W/N</u> <u>S.D. Juris.</u>	<u>Annual</u> <u>Change</u>
1 Plant in Service	30,479,432	2,245,375	2,245,375	2,081,408	7.9%
2 Accumulated Depreciation	13,818,010	977,318	977,318	909,388	7.5%
3 Net Plant in Service	16,661,422	1,268,057	1,268,057	1,172,020	8.2%
4 Plant Held for Future Use	0	0	0	0	*
5 Construct Work in Progress	0	0	0	0	18.9%
6 Materials and Supplies	236,718	16,795	16,795	15,527	8.2%
7 Fuel Stocks	66,380	4,723	4,723	6,426	-26.5%
8 Prepayments & Other Rate Base	115,582	8,162	8,162	7,170	13.8%
9 Customer Deposits	(27,239)	(58)	(58)	(48)	21.5%
10 Cash Working Capital	0	0	0	0	*
11 Other Rate Base ¹	160,363	13,445	13,445	14,344	-6.3%
12 Accum. Deferred Taxes	(2,296,250)	(153,475)	(153,363)	(153,235)	0.1%
13 Total Other Rate Base	(1,744,446)	(110,408)	(110,296)	(109,816)	0.4%
14 Total Average Rate Base	14,916,976	1,157,649	1,157,761	1,062,204	9.0%

¹ Includes deferred assets and liabilities such as accrued vacations, post-retirement medical benefits (FASB 106), post employment benefits (FASB 112), unfunded pension liability, severance accrual, etc.

² Average rate base is based on 13 monthly averages.

Northern States Power Company Electric Utility - South Dakota

(Dollars In Millions)

IV. COST OF CAPITAL

2025 Actual

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
1	Long-Term Debt ¹	\$8,563	46.82%	4.52%	2.12%
2	Short-Term Debt	\$0	0.00%	0.00%	0.00%
3	Total Debt	\$8,563	46.82%	4.52%	2.12%
4	Preferred Stock ²	\$0	0.00%	0.00%	0.00%
5	Common Equity ²	\$9,725	53.18%	7.68%	4.08%
6	Total Equity	\$9,725	53.18%		
7	Total Capital	\$18,288	100.00%		6.20%

2025 Normalized

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
8	Long-Term Debt ¹	\$8,563	46.82%	4.52%	2.12%
9	Short-Term Debt	\$0	0.00%	0.00%	0.00%
10	Total Debt	8,563	46.82%	4.52%	2.12%
11	Preferred Stock ²	\$0	0.00%	0.00%	0.00%
12	Common Equity ²	\$9,725	53.18%	7.58%	4.03%
13	Total Equity	\$9,725	53.18%		
14	Total Capital	\$18,288	100.00%		6.15%

¹ Long-term debt is a 13-month average

² Preferred stock and common stock are 13-month averages

Northern States Power Company Electric Utility - South Dakota

(Dollars In Millions)

V. REQUIRED RATE OF RETURN

2025 Based on authorized ROE

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
		[PROTECTED DATA BEGINS...]			
1	Long-Term Debt ¹				
2	Short-Term Debt				
3	Total Debt				
4	Preferred Stock ²				
5	Common Equity ²				
6	Total Equity				
7	Total Capital				

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¹ Long-term debt is a 13 month average

² Preferred stock and common stock are 13 month averages

³ Confidential per Settlement in Docket EL22-017

Northern States Power Company
Electric Utility - South Dakota
(Dollars In Thousands)

VI. REVENUE DEFICIENCY

2025 Based on authorized ROE

<u>Line</u>	<u>Item</u>	Actual 2025 <u>S.D. Juris.</u>	Weather Normalized 2025 <u>S.D. Juris.</u>
	<u>Revenue Deficiency</u>	[PROTECTED DATA BEGINS...]	
1	Total Operating Income		
2	Total Average Rate Base		
3	Require Operating Income (Rate Base * Required Return)		
4	Operating Income		
5	Operating Income Deficiency		
6	Revenue Conversion Factor (1/(1-Composite Tax Rate))		
7	Revenue Deficiency (Income Deficiency * Conversion Factor)		
		...PROTECTED DATA ENDS]	

Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Actuals
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other

Composite Income Tax Rate

State Tax Rate			
Federal Statutory Tax Rate	21.00%	21.00%	21.00%
<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Composite Tax Rate	21.00%	21.00%	21.00%
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823

Weighted Cost of Capital

Active Rates and Ratios Version
Cost of Short Term Debt
Cost of Long Term Debt
Cost of Common Equity
Ratio of Short Term Debt
Ratio of Long Term Debt
Ratio of Common Equity
Weighted Cost of STD
Weighted Cost of LTD
Weighted Cost of Debt
Weighted Cost of Equity
Required Rate of Return

[PROTECTED DATA BEGINS...]



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Rate Base

Plant Investment	30,479,432,492	2,245,375,483	28,234,057,009
<u>Depreciation Reserve</u>	<u>13,818,010,060</u>	<u>977,317,990</u>	<u>12,840,692,070</u>
Net Utility Plant	16,661,422,432	1,268,057,494	15,393,364,939
CWIP	0	0	0

Accumulated Deferred Taxes	3,316,798,296	250,896,893	3,065,901,404
DTA - NOL Average Balance	(45,645,609)	(26,368,745)	(19,276,864)
DTA - State Tax Credit Average Balance	(2,878,838)		(2,878,838)
DTA - Federal Tax Credit Average Balance	(972,023,499)	(71,052,765)	(900,970,734)
Total Accum Deferred Taxes	2,296,250,350	153,475,383	2,142,774,967

Cash Working Capital			
Materials and Supplies	236,718,082	16,794,546	219,923,536
Fuel Inventory	66,379,986	4,723,069	61,656,917
Non-plant Assets and Liabilities	128,083,974	6,403,732	121,680,242
Customer Advances	(15,143,807)	(4,158,351)	(10,985,456)
Customer Deposits	(27,238,623)	(57,775)	(27,180,848)
Prepays and Other	115,581,916	8,162,112	107,419,803
<u>Regulatory Amortizations</u>	<u>47,422,451</u>	<u>11,199,972</u>	<u>36,222,479</u>
Total Other Rate Base Items	551,803,978	43,067,305	508,736,673

Total Rate Base **14,916,976,061** **1,157,649,416** **13,759,326,644**

Operating Revenues

Retail	4,268,111,036	260,027,694	4,008,083,342
Interdepartmental			
<u>Other Operating Rev - Non-Retail</u>	<u>1,126,336,688</u>	<u>79,485,998</u>	<u>1,046,850,689</u>
Total Operating Revenues	5,394,447,724	339,513,693	5,054,934,032

Expenses

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Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Actuals
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other
Operating Expenses:			
Fuel	1,240,640,872	78,200,327	1,162,440,545
Deferred Fuel	8,018,388	(312,153)	8,330,541
Variable IA Production Fuel	8,636,558	614,508	8,022,050
<u>Purchased Energy - Windsources</u>	<u>4,862,330</u>	<u>0</u>	<u>4,862,330</u>
Fuel & Purchased Energy Total	1,262,158,148	78,502,683	1,183,655,465
Production - Fixed	523,910,275	36,569,435	487,340,840
Production - Fixed IA Investment			
Production - Fixed IA O&M	52,186,664	3,719,344	48,467,320
Production - Variable	9,299,710	662,786	8,636,924
Production - Variable IA O&M	7,207,727	512,844	6,694,883
<u>Production - Purchased Demand</u>	<u>130,569,229</u>	<u>9,305,669</u>	<u>121,263,560</u>
Production Total	723,173,604	50,770,078	672,403,526
Regional Markets	11,623,588	828,413	10,795,175
Transmission IA	164,255,561	11,706,494	152,549,067
Transmission	284,259,370	20,259,165	264,000,204
Distribution	127,653,461	7,561,268	120,092,193
Customer Accounting	71,333,108	4,168,983	67,164,125
Customer Service & Information	131,612,612	1,206,150	130,406,463
Sales, Econ Dvlp & Other	4,432,785	72,300	4,360,485
<u>Administrative & General</u>	<u>291,107,619</u>	<u>21,181,932</u>	<u>269,925,687</u>
Total Operating Expenses	3,071,609,858	196,257,466	2,875,352,392
Depreciation	1,003,532,078	75,646,337	927,885,741
Amortization	92,158,430	(709,060)	92,867,490
Taxes:			
Property Taxes	205,711,978	11,522,121	194,189,857
ITC Amortization	(1,228,279)	(70,290)	(1,157,989)
Deferred Taxes	137,476,566	13,685,323	123,791,243
Deferred Taxes - NOL	14,335,658	(5,566,489)	19,902,147
Less State Tax Credits deferred			
Less Federal Tax Credits deferred	(341,736,273)	(25,350,048)	(316,386,226)
Deferred Income Tax & ITC	(191,152,328)	(17,301,504)	(173,850,825)
Payroll & Other Taxes	33,274,355	2,328,481	30,945,874
Total Taxes Other Than Income	47,834,005	(3,450,901)	51,284,906
Income Before Taxes			
Total Operating Revenues	5,394,447,724	339,513,693	5,054,934,032
less: Total Operating Expenses	3,071,609,858	196,257,466	2,875,352,392
Book Depreciation	1,003,532,078	75,646,337	927,885,741
Amortization	92,158,430	(709,060)	92,867,490
<u>Taxes Other than Income</u>	<u>47,834,005</u>	<u>(3,450,901)</u>	<u>51,284,906</u>
Total Before Tax Book Income	1,179,313,354	71,769,851	1,107,543,502
Tax Additions			
Book Depreciation	1,003,532,078	75,646,337	927,885,741
Deferred Income Taxes and ITC	(191,152,328)	(17,301,504)	(173,850,825)
Nuclear Fuel Burn (ex. D&D)	114,498,542	8,160,311	106,338,231
Nuclear Outage Accounting	69,621,007	4,960,072	64,660,934
Avoided Tax Interest	75,204,240	5,372,553	69,831,687
<u>Other Book Additions</u>	<u>3,033,391</u>	<u>696,457</u>	<u>2,336,934</u>
Total Tax Additions	1,074,736,931	77,534,227	997,202,703
Tax Deductions			
Total Rate Base	14,916,976,061	1,157,649,416	13,759,326,644
Weighted Cost of Debt	<u>2.12%</u>	<u>2.12%</u>	<u>2.12%</u>
Debt Interest Expense	316,239,892	24,542,168	291,697,725
Nuclear Outage Accounting	77,120,710	5,494,683	71,626,027
Tax Depreciation and Removals	1,657,377,305	134,884,534	1,522,492,771
NOL Utilized / (Generated)	51,046,369	(19,821,137)	70,867,505
<u>Other Tax / Book Timing Differences</u>	<u>59,923,715</u>	<u>4,203,830</u>	<u>55,719,885</u>
Total Tax Deductions	2,161,707,992	149,304,079	2,012,403,913

Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Actuals
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other
State Taxes			
State Taxable Income	92,342,293	(0)	92,342,293
State Income Tax Rate	-	-	-
State Taxes before Credits	-	-	-
<u>Less State Tax Credits applied</u>	-	-	-
Total State Income Taxes			
Federal Taxes			
Federal Sec 199 Production Deduction			
Federal Taxable Income	92,342,293	(0)	92,342,293
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Federal Tax before Credits	19,391,881	(0)	19,391,881
<u>Less Federal Tax Credits</u>	<u>(14,543,911)</u>	-	<u>(14,543,911)</u>
Total Federal Income Taxes	4,847,970	(0)	4,847,970
Total Taxes			
Total Taxes Other than Income	47,834,005	(3,450,901)	51,284,906
Total Federal and State Income Taxes	4,847,970	(0)	4,847,970
Total Taxes	52,681,975	(3,450,901)	56,132,877
Total Operating Revenues			
Total Operating Revenues	5,394,447,724	339,513,693	5,054,934,032
Total Expenses	4,219,982,341	267,743,841	3,952,238,500
AFDC Debt			
AFDC Equity	-	-	-
Net Income	1,174,465,383	71,769,851	1,102,695,532

Rate of Return (ROR)			
Total Operating Income	1,174,465,383	71,769,851	1,102,695,532
Total Rate Base	<u>14,916,976,061</u>	<u>1,157,649,416</u>	<u>13,759,326,644</u>
ROR (Operating Income / Rate Base)	7.87%	6.20%	8.01%

Return on Equity (ROE)	[PROTECTED DATA BEGINS...]
Net Operating Income	[PROTECTED DATA BEGINS...]
Debt Interest (Rate Base * Weighted Cost of Debt)	[PROTECTED DATA BEGINS...]
Earnings Available for Common	[PROTECTED DATA BEGINS...]
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	[PROTECTED DATA BEGINS...]
ROE (earnings for Common / Equity)	[PROTECTED DATA BEGINS...]
Revenue Deficiency	
Required Operating Income (Rate Base * Required Return)	[PROTECTED DATA BEGINS...]
<u>Net Operating Income</u>	[PROTECTED DATA BEGINS...]
Operating Income Deficiency	[PROTECTED DATA BEGINS...]
Revenue Conversion Factor (1/(1--Composite Tax Rate))	[PROTECTED DATA BEGINS...]
Revenue Deficiency (Income Deficiency * Conversion Factor)	[PROTECTED DATA BEGINS...]
Total Revenue Requirements	
Total Retail Revenues	[PROTECTED DATA BEGINS...]
<u>Revenue Deficiency</u>	[PROTECTED DATA BEGINS...]
Total Revenue Requirements	[PROTECTED DATA BEGINS...]

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Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Weather Normalized
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other

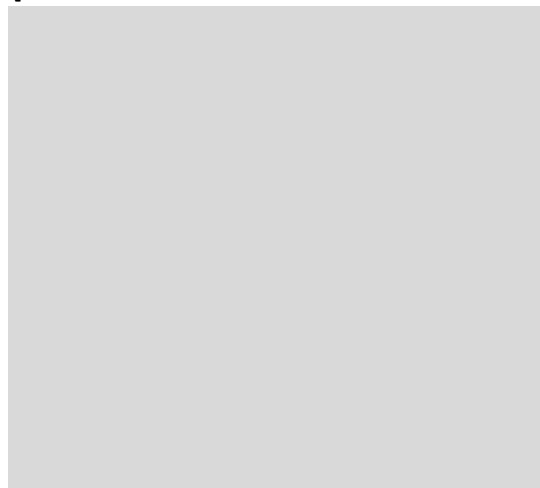
Composite Income Tax Rate

State Tax Rate			
Federal Statutory Tax Rate	21.00%	21.00%	21.00%
Federal Effective Tax Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Composite Tax Rate	21.00%	21.00%	21.00%
Revenue Conversion Factor (1/(1-Composite Tax Rate))	1.265823	1.265823	1.265823

Weighted Cost of Capital

Active Rates and Ratios Version
Cost of Short Term Debt
Cost of Long Term Debt
Cost of Common Equity
Ratio of Short Term Debt
Ratio of Long Term Debt
Ratio of Common Equity
Weighted Cost of STD
Weighted Cost of LTD
Weighted Cost of Debt
Weighted Cost of Equity
Required Rate of Return

[PROTECTED DATA BEGINS...]



...PROTECTED DATA ENDS]

Rate Base

Plant Investment	30,479,432,492	2,245,375,483	28,234,057,009
<u>Depreciation Reserve</u>	<u>13,818,010,060</u>	<u>977,317,990</u>	<u>12,840,692,070</u>
Net Utility Plant	16,661,422,432	1,268,057,494	15,393,364,939
CWIP	0	0	0
Accumulated Deferred Taxes	3,316,798,296	250,896,893	3,065,901,404
DTA - NOL Average Balance	(45,741,745)	(26,480,693)	(19,261,052)
DTA - State Tax Credit Average Balance	(2,878,838)		(2,878,838)
DTA - Federal Tax Credit Average Balance	(973,945,827)	(71,052,765)	(902,893,062)
Total Accum Deferred Taxes	2,294,231,886	153,363,435	2,140,868,452
Cash Working Capital			
Materials and Supplies	236,718,082	16,794,546	219,923,536
Fuel Inventory	66,379,986	4,723,069	61,656,917
Non-plant Assets and Liabilities	128,083,974	6,403,732	121,680,242
Customer Advances	(15,143,807)	(4,158,351)	(10,985,456)
Customer Deposits	(27,238,623)	(57,775)	(27,180,848)
Prepays and Other	115,581,916	8,162,112	107,419,803
<u>Regulatory Amortizations</u>	<u>47,422,451</u>	<u>11,199,972</u>	<u>36,222,479</u>
Total Other Rate Base Items	551,803,978	43,067,305	508,736,673
Total Rate Base	14,918,994,524	1,157,761,365	13,761,233,160
Operating Revenues			
Retail	4,243,058,674	259,232,818	3,983,825,856
Interdepartmental			
<u>Other Operating Rev - Non-Retail</u>	<u>1,126,336,688</u>	<u>79,485,998</u>	<u>1,046,850,689</u>
Total Operating Revenues	5,369,395,362	338,718,816	5,030,676,546

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CONFIDENTIAL DATA HAS BEEN EXCISED

Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Weather Normalized
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other

Expenses

Operating Expenses:

Fuel	1,240,640,872	78,200,327	1,162,440,545
Deferred Fuel	8,018,388	(312,153)	8,330,541
Variable IA Production Fuel	8,636,558	614,508	8,022,050
<u>Purchased Energy - Windsource</u>	<u>4,862,330</u>	<u>0</u>	<u>4,862,330</u>
Fuel & Purchased Energy Total	1,262,158,148	78,502,683	1,183,655,465
Production - Fixed	523,910,275	36,569,435	487,340,840
Production - Fixed IA Investment			
Production - Fixed IA O&M	52,186,664	3,719,344	48,467,320
Production - Variable	9,299,710	662,786	8,636,924
Production - Variable IA O&M	7,207,727	512,844	6,694,883
<u>Production - Purchased Demand</u>	<u>130,569,229</u>	<u>9,305,669</u>	<u>121,263,560</u>
Production Total	723,173,604	50,770,078	672,403,526
Regional Markets	11,623,588	828,413	10,795,175
Transmission IA	164,255,561	11,706,494	152,549,067
Transmission	284,259,370	20,259,165	264,000,204
Distribution	127,653,461	7,561,268	120,092,193
Customer Accounting	71,333,108	4,168,983	67,164,125
Customer Service & Information	131,612,612	1,206,150	130,406,463
Sales, Econ Dvlp & Other	4,432,785	72,300	4,360,485
<u>Administrative & General</u>	<u>291,107,619</u>	<u>21,181,932</u>	<u>269,925,687</u>
Total Operating Expenses	3,071,609,858	196,257,466	2,875,352,392

Depreciation	1,003,532,078	75,646,337	927,885,741
Amortization	92,158,430	(709,060)	92,867,490

Taxes:

Property Taxes	205,711,978	11,522,121	194,189,857
ITC Amortization	(1,228,279)	(70,290)	(1,157,989)
Deferred Taxes	137,476,566	13,685,323	123,791,243
Deferred Taxes - NOL	14,143,387	(5,790,385)	19,933,772
Less State Tax Credits deferred			
Less Federal Tax Credits deferred	(345,580,929)	(25,350,048)	(320,230,882)
Deferred Income Tax & ITC	(195,189,256)	(17,525,400)	(177,663,855)
Payroll & Other Taxes	33,274,355	2,328,481	30,945,874
Total Taxes Other Than Income	43,797,078	(3,674,798)	47,471,875

Income Before Taxes

Total Operating Revenues	5,369,395,362	338,718,816	5,030,676,546
less: Total Operating Expenses	3,071,609,858	196,257,466	2,875,352,392
Book Depreciation	1,003,532,078	75,646,337	927,885,741
Amortization	92,158,430	(709,060)	92,867,490
<u>Taxes Other than Income</u>	<u>43,797,078</u>	<u>(3,674,798)</u>	<u>47,471,875</u>
Total Before Tax Book Income	1,158,297,919	71,198,871	1,087,099,047

Tax Additions

Book Depreciation	1,003,532,078	75,646,337	927,885,741
Deferred Income Taxes and ITC	(195,189,256)	(17,525,400)	(177,663,855)
Nuclear Fuel Burn (ex. D&D)	114,498,542	8,160,311	106,338,231
Nuclear Outage Accounting	69,621,007	4,960,072	64,660,934
Avoided Tax Interest	75,204,240	5,372,553	69,831,687
<u>Other Book Additions</u>	<u>3,033,391</u>	<u>696,457</u>	<u>2,336,934</u>
Total Tax Additions	1,070,700,003	77,310,331	993,389,672

Tax Deductions

Total Rate Base	14,918,994,524	1,157,761,365	13,761,233,160
Weighted Cost of Debt	<u>2.12%</u>	<u>2.12%</u>	<u>2.12%</u>
Debt Interest Expense	316,282,684	24,544,541	291,738,143
Nuclear Outage Accounting	77,120,710	5,494,683	71,626,027
Tax Depreciation and Removals	1,657,377,305	134,884,534	1,522,492,771
NOL Utilized / (Generated)	50,361,730	(20,618,386)	70,980,116
<u>Other Tax / Book Timing Differences</u>	<u>59,923,715</u>	<u>4,203,830</u>	<u>55,719,885</u>
Total Tax Deductions	2,161,066,144	148,509,202	2,012,556,942

Northern States Power Company (SD)
Electric Utility - South Dakota Retail Jurisdiction
Cost of Service Study
2025 Weather Normalized
(Dollars in Thousands)

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2025		
	Total	SD Electric	Other
State Taxes			
State Taxable Income	67,931,778	(0)	67,931,778
State Income Tax Rate	-	-	-
State Taxes before Credits	-	-	-
<u>Less State Tax Credits applied</u>	-	-	-
Total State Income Taxes			
Federal Taxes			
Federal Sec 199 Production Deduction			
Federal Taxable Income	67,931,778	(0)	67,931,778
Federal Income Tax Rate	21.00%	21.00%	21.00%
Federal Tax before Credits	14,265,673	(0)	14,265,673
<u>Less Federal Tax Credits</u>	<u>(10,699,255)</u>	-	<u>(10,699,255)</u>
Total Federal Income Taxes	3,566,418	(0)	3,566,418
Total Taxes			
Total Taxes Other than Income	43,797,078	(3,674,798)	47,471,875
Total Federal and State Income Taxes	3,566,418	(0)	3,566,418
Total Taxes	47,363,496	(3,674,798)	51,038,294
Total Operating Revenues			
Total Operating Revenues	5,369,395,362	338,718,816	5,030,676,546
Total Expenses	4,214,663,862	267,519,945	3,947,143,917
AFDC Debt			
AFDC Equity	-	-	-
Net Income	1,154,731,500	71,198,871	1,083,532,629

Rate of Return (ROR)			
Total Operating Income	1,154,731,500	71,198,871	1,083,532,629
<u>Total Rate Base</u>	<u>14,918,994,524</u>	<u>1,157,761,365</u>	<u>13,761,233,160</u>
ROR (Operating Income / Rate Base)	7.74%	6.15%	7.87%

Return on Equity (ROE)			
Net Operating Income	[PROTECTED DATA BEGINS...]		
Debt Interest (Rate Base * Weighted Cost of Debt)	[PROTECTED DATA BEGINS...]		
Earnings Available for Common	[PROTECTED DATA BEGINS...]		
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	[PROTECTED DATA BEGINS...]		
ROE (earnings for Common / Equity)	[PROTECTED DATA BEGINS...]		
Revenue Deficiency			
Required Operating Income (Rate Base * Required Return)	[PROTECTED DATA BEGINS...]		
<u>Net Operating Income</u>	[PROTECTED DATA BEGINS...]		
Operating Income Deficiency	[PROTECTED DATA BEGINS...]		
Revenue Conversion Factor (1/(1-Composite Tax Rate))	[PROTECTED DATA BEGINS...]		
Revenue Deficiency (Income Deficiency * Conversion Factor)	[PROTECTED DATA BEGINS...]		
Total Revenue Requirements			
Total Retail Revenues	[PROTECTED DATA BEGINS...]		
<u>Revenue Deficiency</u>	[PROTECTED DATA BEGINS...]		
Total Revenue Requirements	[PROTECTED DATA BEGINS...]		

...PROTECTED DATA ENDS]