

**ROE = 1.33%**  
**Deficiency = \$22,429**  
**% Increase = 14.29%**  
**Required ROE = 11.00%**

**Northern States Power Company (SD)  
Electric Utility - South Dakota Retail Jurisdiction  
Cost of Service Study  
2010 Actual/Baseline**

**Summary Reports**

**June 22, 2011**

**Northern States Power Company (SD)**  
**Electric Utility - South Dakota Retail Jurisdiction**  
**Cost of Service Study**  
**2010 Actual/Baseline**

(Dollars in Thousands)

**Rate Base Summary**

	<b>Total Company Electric</b>			<b>SD Retail Electric</b>			<b>All Other</b>		
	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Balance</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Balance</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Balance</b>
1 Plant Investment	12,476,649	12,476,649	12,476,649	714,371	714,371	714,371	11,762,278	11,762,278	11,762,278
2 Depreciation Reserve	(6,381,238)	(6,381,238)	(6,381,238)	(362,969)	(362,969)	(362,969)	(6,018,269)	(6,018,269)	(6,018,269)
3 Net Utility Plant	6,095,411	6,095,411	6,095,411	351,402	351,402	351,402	5,744,009	5,744,009	5,744,009
4 C.W.I.P.	0	0	0	0	0	0	0	0	0
5 Accumulated Deferred Taxes	(1,287,871)	(1,287,871)	(1,287,871)	(75,503)	(75,503)	(75,503)	(1,212,368)	(1,212,368)	(1,212,368)
Other Rate Base:									
6 Cash Working Capital	(68,088)	(68,088)	(68,088)	(2,794)	(2,794)	(2,794)	(65,294)	(65,294)	(65,294)
7 Materials & Supplies	111,130	111,130	111,130	6,260	6,260	6,260	104,870	104,870	104,870
8 Fuel Inventory	86,048	86,048	86,048	4,816	4,816	4,816	81,232	81,232	81,232
9 Non-Plant Assets & Liab	(113,676)	(113,676)	(113,676)	(6,495)	(6,495)	(6,495)	(107,181)	(107,181)	(107,181)
10 Prepays & Other	80,864	80,864	80,864	9,855	9,855	9,855	71,009	71,009	71,009
<b>11 Total Rate Base</b>	<b>4,903,818</b>	<b>4,903,818</b>	<b>4,903,818</b>	<b>287,541</b>	<b>287,541</b>	<b>287,541</b>	<b>4,616,277</b>	<b>4,616,277</b>	<b>4,616,277</b>

Northern States Power Company (SD)  
 Electric Utility - South Dakota Retail Jurisdiction  
 Cost of Service Study  
 2010 Actual/Baseline  
 (Dollars in Thousands)

Income Statement Summary

	<u>Total Company Electric</u>	<u>SD Retail Electric</u>	<u>All Other</u>	
<b><u>Operating Revenues</u></b>				
1	Retail	2,983,429	156,951	2,826,478
2	CIP Adjustment to Program Costs	0	-	0
3	Interdepartmental	417	-	417
4	Other Operating	753,270	39,152	714,118
5	Gross Earnings Tax	0	-	0
6	<b>Total Operating Revenues</b>	<b>3,737,116</b>	<b>196,103</b>	<b>3,541,013</b>
<b><u>Expenses</u></b>				
Operating Expenses:				
7	Fuel & Purchased Energy	1,332,731	80,110	1,252,621
8	Power Production	717,081	40,130	676,951
9	Transmission	174,351	9,757	164,594
10	Distribution	109,899	6,533	103,366
11	Customer Accounting	58,722	3,996	54,726
12	Customer Service & Information	80,376	492	79,884
13	Sales, Econ Dvlp & Other	93	3	90
14	Administrative & General	212,762	12,482	200,280
15	<b>Total Operating Expenses</b>	<b>2,686,015</b>	<b>153,503</b>	<b>2,532,512</b>
16	Depreciation	316,793	18,618	298,175
17	Amortization	828	828	0
Taxes:				
18	Property	116,166	5,560	110,606
19	Gross Earnings	0	-	0
20	Deferred Income Tax & ITC	341,876	19,226	322,650
21	State & Federal Income (see Page 3)	(162,803)	(13,970)	(148,833)
22	Payroll & Other	29,059	1,671	27,388
23	<b>Total Taxes</b>	<b>324,298</b>	<b>12,487</b>	<b>311,811</b>
24	<b>Total Expenses</b>	<b>3,327,934</b>	<b>185,436</b>	<b>3,142,498</b>
25	AFUDC	0	-	0
26	<b>Total Operating Income</b>	<b>409,182</b>	<b>10,667</b>	<b>398,515</b>

**Income Tax Summary**

	<b><u>Total Company Electric</u></b>	<b><u>SD Retail Electric</u></b>	<b><u>All Other</u></b>	
<b><u>Income Before Taxes</u></b>				
1	Total Operating Revenues	3,737,116	196,103	3,541,013
2	less: Total Operating Expenses	(2,686,015)	(153,503)	(2,532,512)
3	Book Depreciation & Amortization	(317,621)	(19,446)	(298,175)
4	Taxes (Other Than Current Income)	(487,101)	(26,457)	(460,644)
5	<b>Total Before Tax Book Income</b>	<b>246,379</b>	<b>(3,303)</b>	<b>249,682</b>
<b><u>Tax Additions</u></b>				
6	Book Depreciation	316,793	18,618	298,175
7	Deferred Income Taxes & ITC	341,876	19,226	322,650
8	Nuclear Fuel Burn (ex D&D)	118,069	6,607	111,462
9	Nuclear Outage Accounting	57,586	3,223	54,363
10	Avoided Tax Interest	38,713	2,150	36,563
11	Open Line	0	0	0
12	Open Line	0	0	0
13	Open Line	0	0	0
14	Open Line	0	0	0
15	Open Line	0	0	0
16	Other Book Additions	0	0	0
17	<b>Total Tax Additions</b>	<b>873,037</b>	<b>49,824</b>	<b>823,213</b>
<b><u>Tax Deductions</u></b>				
18	Debt Interest Expense	147,605	8,655	138,950
19	Tax Depreciation & Removal	1,349,330	76,601	1,272,729
20	Manufacture Production Deduction	0	0	0
21	Open	0	0	0
22	Open	0	0	0
23	Open	0	0	0
24	Other Tax/Book Timing Differences	(6,719)	(526)	(6,193)
25	Net Preferred Stock Deduction	0	0	0
26	<b>Total Tax Deductions</b>	<b>1,490,216</b>	<b>84,730</b>	<b>1,405,486</b>
27	<b>State Taxable Income</b>	<b>(370,800)</b>	<b>(38,209)</b>	<b>(332,591)</b>
28	State Income Tax Rate	9.03%	0.00%	N/A
29	State Taxes before Credits	(33,468)	0	(33,468)
30	State Credits	944	0	944
31	<b>Total State Income Taxes</b>	<b>(34,412)</b>	<b>0</b>	<b>(34,412)</b>
32	<b>Federal Taxable Income</b>	<b>(336,388)</b>	<b>(38,209)</b>	<b>(298,179)</b>
33	Federal Income Tax Rate	35.00%	35.00%	35.00%
34	Federal Tax before Credits	(117,736)	(13,373)	(104,362)
35	Federal Tax Credits	10,655	597	10,058
36	<b>Total Federal Income Taxes</b>	<b>(128,391)</b>	<b>(13,970)</b>	<b>(114,420)</b>
37	<b>Total Federal &amp; State Income Taxes</b>	<b>(162,803)</b>	<b>(13,970)</b>	<b>(148,833)</b>

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Northern States Power Company (SD)  
 Electric Utility - South Dakota Retail Jurisdiction  
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 2010 Actual/Baseline

**Revenue Requirement & Return Summary**

(Dollars in Thousands)

	<u>Capital Structure</u>	<u>Rate</u>	<u>Ratio</u>	<u>Weighted Cost</u>	<u>Composite Income Tax Rates</u>	
1	Long Term Debt	6.3300%	47.5200%	3.0100%	State of South Dakota Tax rate	0.00%
2	Short Term Debt	0.0000%	0.0000%	0.0000%	Federal Statutory Tax rate	35.00%
3	Preferred Stock	0.0000%	0.0000%	0.0000%	Federal Effective Tax Rate (1-State Rate*Fed Rate)	35.00%
4	Common Equity	11.0000%	52.4800%	5.7700%	<b>Total South Dakota Composite Tax Rate</b>	<b>35.00%</b>
5	<b>Required Rate of Return</b>			<b>8.7800%</b>	<b>Total Corporate Composite Tax Rate</b>	<b>40.87%</b>

	<u>Total Company Electric</u>	<u>SD Retail Electric</u>	<u>All Other</u>	
<b><u>Rate of Return (ROR)</u></b>				
6	Total Operating Income	409,182	10,667	398,515
7	Total Average Rate Base	4,903,818	287,541	4,616,277
8	<b>ROR (Operating Income / Rate Base)</b>	<b>8.34%</b>	<b>3.71%</b>	<b>8.63%</b>

<b><u>Return on Equity (ROE)</u></b>				
9	Total Operating Income	409,182	10,667	398,515
10	Debt Interest (Rate Base * Weighted Debt Cost)	(147,605)	(8,655)	(138,950)
11	Preferred Stock (Rate Base * Weighted Preferred Cost)	0	0	0
12	Earnings Available for Common	261,577	2,012	259,565
13	Equity Rate Base ( Rate Base * Equity Ratio)	2,573,524	150,901	2,422,622
14	<b>ROE (Earnings for Common / Equity Rate Base)</b>	<b>10.16%</b>	<b>1.33%</b>	<b>10.71%</b>

<b><u>Revenue Deficiency</u></b>				
15	Require Operating Income (Rate Base * Required Return)	430,555	25,246	405,309
16	Operating Income	409,182	10,667	398,515
17	Operating Income Deficiency	21,373	14,579	6,794
18	Revenue Conversion Factor ( 1/(1-Composite Tax Rate) )	1.69110	1.53846	N/A
19	<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>36,144</b>	<b>22,429</b>	<b>13,715</b>

<b><u>Total Retail Revenue Requirements</u></b>				
20	Retail Related Revenues	2,983,846	156,951	2,826,895
21	Revenue Deficiency	36,144	22,429	13,715
22	<b>Total Retail Revenue Requirements</b>	<b>3,019,990</b>	<b>179,380</b>	<b>2,840,610</b>
23	<b><u>Percentage Increase (Decrease)</u></b>	<b>1.21%</b>	<b>14.29%</b>	<b>0.49%</b>

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**Rate Base Detail - Cash Working Capital**

	Lead Days	Total Company Electric		SD Retail Electric		All Other			
		Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days		
<b>Expenses</b>									
<b>Includable Expenses</b>									
<b>Fuel Expenses</b>									
1	Coal & Rail Transport	21.08	311,859	6,573,988	17,455	367,951	294,404	6,206,036	
2	Gas for Generation	38.45	125,679	4,832,358	7,034	270,457	118,645	4,561,900	
3	Oil	22.51	2,859	64,356	180	3,602	2,699	60,754	
4	Nuclear & EOL	0.00	118,069	0	6,608	0	111,461	0	
5	Nuclear Disposal	76.00	12,700	965,200	711	54,036	11,989	911,164	
6			571,166	12,435,901	31,968	696,046	539,198	11,739,855	
<b>Purchased Power</b>									
7	Purchases	28.12	788,672	22,177,457	44,140	1,241,217	744,532	20,936,240	
8	Interchange	31.79	116,312	3,697,558	6,509	206,921	109,803	3,490,637	
			904,984	25,875,015	50,649	1,448,138	854,335	24,426,877	
<b>Labor &amp; Related Costs</b>									
9	Regular Payroll	12.31	365,885	4,504,044	21,118	259,963	344,767	4,244,082	
10	Incentive Compensation	255.05	29,689	7,572,179	1,679	428,229	28,010	7,143,951	
11	Pension & Benefits	19.20	70,317	1,350,086	4,073	78,202	96,244	1,271,885	
12	Subtotal Labor & Related		465,891	13,426,310	26,870	768,393	439,021	12,659,917	
13									
14	All Other Operating Expenses	35.01	743,974	28,046,530	44,016	1,541,000	699,958	24,505,530	
15	Property Tax	356.72	116,166	41,438,736	5,580	1,983,363	110,606	39,455,372	
16	Employer's Payroll Taxes	26.56	29,059	771,807	1,671	44,382	27,388	727,425	
17	Gross Earnings Tax	51.98	0	0	0	0	0	0	
18	Federal Income Tax	37.75	(128,391)	(4,846,746)	(13,970)	(527,373)	(114,420)	(4,319,373)	
19	State Income Tax	37.75	(34,412)	(1,299,068)	0	0	(34,412)	(1,299,068)	
20	State Sales Tax Customer Billings	35.73	138,813	4,959,788	5,736	204,947	133,077	4,754,841	
21	Total Expenses	42.32	2,807,250	118,808,273	40.37	6,156,897	42.43	2,654,750	112,651,376
22	Net Annual Expense Amount			325,502		16,868		308,634	
<b>Revenues</b>									
<b>Laq Days</b>									
23	Computer Billing	100.00%	2,983,429	100,452,054	156,951	5,284,540	2,826,478	95,167,514	
24	Hand Billed	0.00%	0	0	0	0	0	0	
25	Retail Revenue Adjustments	0.00	0	0	0	0	0	0	
26	Interdepartmental	0.00	417	0	0	0	417	0	
27	Late Payment	0.00	0	0	0	0	0	0	
28	Connect and Trouble Charges	42.85	2,232	95,646	256	10,970	1,976	84,676	
29	CIP Incentive	0.00	27,153	0	0	0	27,153	0	
30	Rentals	114.17	4,088	466,727	243	27,743	3,845	438,984	
31	Interchange Revenues	31.13	414,842	12,914,031	23,217	722,745	391,625	12,191,286	
32	Sales for Resale	37.10	216,150	8,019,165	11,026	409,065	205,124	7,610,100	
33	Production Associated Revenues	37.10	5,650	209,615	316	11,724	5,334	197,891	
34	MISO	14.00	10,457	146,398	585	8,190	9,872	138,208	
35	Point to Point Firm	37.10	44,744	1,660,002	2,504	92,898	42,240	1,567,104	
36	Services & Facilities	37.10	8,582	318,392	480	17,808	8,102	300,584	
37	Ancillary	37.10	17,289	641,422	967	35,876	16,322	605,546	
38	Distribution Associated Revenues	42.85	0	0	0	0	0	0	
39	Other	42.85	13,398	574,131	191	8,165	13,207	565,946	
40	JOA - Rev fr/to PSC	37.10	(11,315)	(419,787)	(633)	(23,484)	(10,682)	(396,302)	
41	(blank)	0.00	0	0	0	0	0	0	
42	(blank)	0.00	0	0	0	0	0	0	
43	(blank)	0.00	0	0	0	0	0	0	
44	Total Revenues	33.47	3,737,116	125,077,798	33.69	6,606,260	33.48	3,541,013	118,471,538
45	Net Annual Amount			342,679		18,099		324,580	
46	Expense / Revenue Factor			0.7512		0.7777			
47	Allocated Revenue Amount			257,414		14,076			
48	Net Cash Working Capital			(68,088)		(2,792)		(65,296)	

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**ROE = 5.41%**  
**Deficiency = \$14,583**  
**% Increase = 9.28%**  
**Required ROE = 11.00%**

**Northern States Power Company (SD)**  
**Electric Utility - South Dakota Retail Jurisdiction**  
**Cost of Service Study**  
**2010 Pro Forma**

**Summary Reports**

**June 22, 2011**

Northern States Power Company (SD)  
 Electric Utility - South Dakota Retail Jurisdiction  
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 2010 Pro Forma  
 (Dollars in Thousands)

Rate Base Summary

	<u>Total Company Electric</u>			<u>SD Retail Electric</u>			<u>All Other</u>		
	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>
1 Plant Investment	13,081,604	13,081,604	13,081,604	747,609	747,609	747,609	12,333,995	12,333,995	12,333,995
2 Depreciation Reserve	(6,382,836)	(6,382,836)	(6,382,836)	(363,046)	(363,046)	(363,046)	(6,019,790)	(6,019,790)	(6,019,790)
3 Net Utility Plant	6,698,768	6,698,768	6,698,768	384,563	384,563	384,563	6,314,205	6,314,205	6,314,205
4 C.W.I.P.	0	0	0	0	0	0	0	0	0
5 Accumulated Deferred Taxes	(1,324,475)	(1,324,475)	(1,324,475)	(76,523)	(76,523)	(76,523)	(1,247,952)	(1,247,952)	(1,247,952)
Other Rate Base:									
6 Cash Working Capital	(66,840)	(66,840)	(66,840)	(2,976)	(2,976)	(2,976)	(63,864)	(63,864)	(63,864)
7 Materials & Supplies	111,130	111,130	111,130	6,260	6,260	6,260	104,870	104,870	104,870
8 Fuel Inventory	86,048	86,048	86,048	4,816	4,816	4,816	81,232	81,232	81,232
9 Non-Plant Assets & Liab	(45,059)	(45,059)	(45,059)	(2,603)	(2,603)	(2,603)	(42,456)	(42,456)	(42,456)
10 Prepays & Other	80,864	80,864	80,864	9,855	9,855	9,855	71,009	71,009	71,009
<b>11 Total Rate Base</b>	<b>5,540,436</b>	<b>5,540,436</b>	<b>5,540,436</b>	<b>323,392</b>	<b>323,392</b>	<b>323,392</b>	<b>5,217,044</b>	<b>5,217,044</b>	<b>5,217,044</b>



**Northern States Power Company (SD)**  
**Electric Utility - South Dakota Retail Jurisdiction**  
**Cost of Service Study**  
**2010 Pro Forma**

(Dollars in Thousands)

**Income Statement Summary**

	<b><u>Total Company Electric</u></b>	<b><u>SD Retail Electric</u></b>	<b><u>All Other</u></b>	
<b><u>Operating Revenues</u></b>				
1	Retail	2,962,850	157,219	2,805,631
2	CIP Adjustment to Program Costs	0	-	0
3	Interdepartmental	417	-	417
4	Other Operating	724,787	39,017	685,770
5	Gross Earnings Tax	0	-	0
6	<b>Total Operating Revenues</b>	<b>3,688,054</b>	<b>196,236</b>	<b>3,491,818</b>
<b><u>Expenses</u></b>				
Operating Expenses:				
7	Fuel & Purchased Energy	1,318,220	70,096	1,248,124
8	Power Production	717,380	40,429	676,951
9	Transmission	174,348	9,754	164,594
10	Distribution	109,763	6,397	103,366
11	Customer Accounting	58,762	3,996	54,766
12	Customer Service & Information	79,140	424	78,716
13	Sales, Econ Dvlp & Other	332	53	279
14	Administrative & General	202,435	12,334	190,101
15	<b>Total Operating Expenses</b>	<b>2,660,380</b>	<b>143,483</b>	<b>2,516,897</b>
16	Depreciation	337,640	19,769	317,871
17	Amortization	744	402	342
Taxes:				
18	Property	123,472	5,969	117,503
19	Gross Earnings	0	-	0
20	Deferred Income Tax & ITC	138,445	5,942	132,503
21	State & Federal Income (see Page 3)	8,111	86	8,024
22	Payroll & Other	29,044	1,670	27,374
23	<b>Total Taxes</b>	<b>299,072</b>	<b>13,667</b>	<b>285,404</b>
24	<b>Total Expenses</b>	<b>3,297,836</b>	<b>177,321</b>	<b>3,120,514</b>
25	AFUDC	0	-	0
26	<b>Total Operating Income</b>	<b>390,218</b>	<b>18,915</b>	<b>371,304</b>

North Dakota Electric Company (SD)  
 Electric Utility - South Dakota Retail Jurisdiction  
 Cost of Service Study  
 2010 Pro Forma  
 (Dollars in Thousands)

**Income Tax Summary**

	<u>Total Company Electric</u>	<u>SD Retail Electric</u>	<u>All Other</u>
<b>Income Before Taxes</b>			
1 Total Operating Revenues	3,688,054	196,236	3,491,818
2 less: Total Operating Expenses	(2,660,380)	(143,483)	(2,516,897)
3 Book Depreciation & Amortization	(338,384)	(20,171)	(318,213)
4 Taxes (Other Than Current Income)	(290,961)	(13,581)	(277,380)
5 <b>Total Before Tax Book Income</b>	<b>398,329</b>	<b>19,001</b>	<b>379,328</b>
<b>Tax Additions</b>			
6 Book Depreciation	337,640	19,769	317,871
7 Deferred Income Taxes & ITC	138,445	5,942	132,503
8 Nuclear Fuel Burn (ex D&D)	118,069	6,607	111,462
9 Nuclear Outage Accounting	57,586	3,223	54,363
10 Avoided Tax Interest	24,648	1,308	23,340
11 Open Line	0	0	0
12 Open Line	0	0	0
13 Open Line	0	0	0
14 Open Line	0	0	0
15 Open Line	0	0	0
16 Other Book Additions	0	0	0
17 <b>Total Tax Additions</b>	<b>676,388</b>	<b>36,849</b>	<b>639,539</b>
<b>Tax Deductions</b>			
18 Debt Interest Expense	166,767	9,734	157,033
19 Tax Depreciation & Removal	892,836	46,282	846,554
20 Manufacture Production Deduction	0	0	0
21 Open	0	0	0
22 Open	0	0	0
23 Open	0	0	0
24 Other Tax/Book Timing Differences	(4,729)	(413)	(4,316)
25 Net Preferred Stock Deduction	0	0	0
26 <b>Total Tax Deductions</b>	<b>1,054,874</b>	<b>55,603</b>	<b>999,271</b>
27 <b>State Taxable Income</b>	<b>19,843</b>	<b>247</b>	<b>19,596</b>
28 State Income Tax Rate	9.03%	0.00%	N/A
29 State Taxes before Credits	1,791	0	1,791
30 State Credits	944	0	944
31 <b>Total State Income Taxes</b>	<b>847</b>	<b>0</b>	<b>847</b>
32 <b>Federal Taxable Income</b>	<b>18,996</b>	<b>247</b>	<b>18,749</b>
33 Federal Income Tax Rate	35.00%	35.00%	35.00%
34 Federal Tax before Credits	6,649	86	6,562
35 Federal Tax Credits	(615)	0	(615)
36 <b>Total Federal Income Taxes</b>	<b>7,264</b>	<b>86</b>	<b>7,177</b>
37 <b>Total Federal &amp; State Income Taxes</b>	<b>8,111</b>	<b>86</b>	<b>8,024</b>

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Northern States Power Company (SD)  
 Electric Utility - South Dakota Retail Jurisdiction  
 Cost of Service Study  
 2010 Pro Forma

**Revenue Requirement & Return Summary**

(Dollars in Thousands)

	<u>Capital Structure</u>	<u>Rate</u>	<u>Ratio</u>	<u>Weighted Cost</u>	<u>Composite Income Tax Rates</u>	
1	Long Term Debt	6.3300%	47.5200%	3.0100%	State of South Dakota Tax rate	0.00%
2	Short Term Debt	0.0000%	0.0000%	0.0000%	Federal Statutory Tax rate	35.00%
3	Preferred Stock	0.0000%	0.0000%	0.0000%	Federal Effective Tax Rate (1-State Rate*Fed Rate)	35.00%
4	Common Equity	11.0000%	52.4800%	5.7700%	<b>Total South Dakota Composite Tax Rate</b>	<b>35.00%</b>
5	<b>Required Rate of Return</b>			<b>8.7800%</b>	<b>Total Corporate Composite Tax Rate</b>	<b>40.87%</b>

  

	<u>Total Company Electric</u>	<u>SD Retail Electric</u>	<u>All Other</u>	
<b><u>Rate of Return (ROR)</u></b>				
6	Total Operating Income	390,218	18,915	371,304
7	Total Average Rate Base	5,540,436	323,392	5,217,044
8	<b>ROR (Operating Income / Rate Base)</b>	<b>7.04%</b>	<b>5.85%</b>	<b>7.12%</b>
<b><u>Return on Equity (ROE)</u></b>				
9	Total Operating Income	390,218	18,915	371,304
10	Debt Interest (Rate Base * Weighted Debt Cost)	(166,767)	(9,734)	(157,033)
11	Preferred Stock (Rate Base * Weighted Preferred Cost)	0	0	0
12	Earnings Available for Common	223,451	9,180	214,271
13	Equity Rate Base (Rate Base * Equity Ratio)	2,907,621	169,716	2,737,905
14	<b>ROE (Earnings for Common / Equity Rate Base)</b>	<b>7.69%</b>	<b>5.41%</b>	<b>7.83%</b>
<b><u>Revenue Deficiency</u></b>				
15	Require Operating Income (Rate Base * Required Return)	486,450	28,394	458,056
16	Operating Income	390,218	18,915	371,304
17	Operating Income Deficiency	96,232	9,479	86,753
18	Revenue Conversion Factor ( 1/(1-Composite Tax Rate) )	1.69110	1.53846	N/A
19	<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>162,738</b>	<b>14,583</b>	<b>148,155</b>
<b><u>Total Retail Revenue Requirements</u></b>				
20	Retail Related Revenues	2,963,267	157,219	2,806,048
21	Revenue Deficiency	162,738	14,583	148,155
22	<b>Total Retail Revenue Requirements</b>	<b>3,126,005</b>	<b>171,802</b>	<b>2,954,203</b>
23	<b><u>Percentage Increase (Decrease)</u></b>	<b>5.49%</b>	<b>9.28%</b>	<b>5.28%</b>

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**Rate Base Detail - Cash Working Capital**

	Lead Days	Total Company Electric		SD Retail Electric		All Other		
		Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days	
<b>Expenses</b>								
<b>Includable Expenses</b>								
<b>Fuel Expenses</b>								
1	Coal & Rail Transport	21.08	311,859	6,573,988	17,455	367,951	294,404	6,206,036
2	Gas for Generation	38.45	125,679	4,832,358	7,034	270,457	118,645	4,561,900
3	Oil	22.51	2,859	64,356	160	3,602	2,699	60,754
4	Nuclear & EOL	0.00	118,069	0	6,608	0	111,461	0
5	Nuclear Disposal	76.00	12,700	965,200	711	54,036	11,989	911,164
6			571,166	12,435,901	31,968	698,046	539,196	11,739,855
<b>Purchased Power</b>								
7	Purchases	28.12	774,568	21,780,852	34,533	971,068	740,035	20,809,784
8	Interchange	31.79	118,312	3,897,558	6,509	206,921	109,803	3,490,637
			890,880	25,478,411	41,042	1,177,989	849,838	24,300,422
<b>Labor &amp; Related Costs</b>								
9	Regular Payroll	12.31	365,958	4,504,943	21,525	264,973	344,433	4,239,970
10	Incentive Compensation	255.05	16,861	4,300,398	952	242,808	15,908	4,057,590
11	Pension & Benefits	19.20	74,060	1,421,952	4,492	86,246	69,568	1,335,706
12	Subtotal Labor & Related		456,879	10,227,293	26,969	594,027	429,910	9,633,266
13								
14	All Other Operating Expenses	35.01	741,455	25,958,340	43,504	1,523,075	697,951	24,435,265
15	Property Tax	356.72	123,472	44,044,932	5,969	2,129,262	117,503	41,915,670
16	Employer's Payroll Taxes	26.56	29,044	771,409	1,670	44,355	27,374	727,053
17	Gross Earnings Tax	51.98	0	0	0	0	0	0
18	Federal Income Tax	37.75	7,264	274,199	86	3,262	7,177	270,937
19	State Income Tax	37.75	847	31,975	0	0	847	31,975
20	State Sales Tax Customer Billings	36.73	138,813	4,959,788	5,736	204,947	133,077	4,754,841
21	Total Expenses	41.96	2,959,820	124,182,248	156,944	6,372,963	2,802,875	117,809,284
22	Net Annual Expense Amount			340,225		17,460		322,765
<b>Revenues</b>								
23	Computer Billing	100.00%	33.67	2,962,850	99,759,160	157,219	5,293,564	2,805,631
24	Hand Billed	0.00%	33.67	0	0	0	0	94,465,596
25	Retail Revenue Adjustments	0.00	0	0	0	0	0	0
26	Interdepartmental	0.00	417	0	0	0	417	0
27	Late Payment	0.00	0	0	0	0	0	0
28	Connect and Trouble Charges	42.85	2,232	95,646	256	10,970	1,976	84,676
29	CIP Incentive	0.00	0	0	0	0	0	0
30	Rentals	114.17	4,088	466,727	243	27,743	3,845	438,984
31	Interchange Revenues	31.13	414,842	12,914,031	23,217	722,745	391,625	12,191,286
32	Sales for Resale	37.10	214,520	7,958,692	10,891	404,056	203,629	7,554,636
33	Production Associated Revenues	37.10	5,650	209,615	316	11,724	5,334	197,891
34	MISO	14.00	10,457	146,398	565	8,190	9,872	138,208
35	Point to Point Firm	37.10	44,744	1,680,002	2,504	92,898	42,240	1,567,104
36	Services & Facilities	37.10	8,654	321,063	480	17,808	8,174	303,255
37	Ancillary	37.10	17,289	641,422	967	35,876	16,322	605,546
38	Distribution Associated Revenues	42.85	126	5,399	0	0	126	5,399
39	Other	42.85	13,500	578,502	191	8,185	13,309	570,317
40	JOA - Rev fr/to PSC	37.10	(11,315)	(419,787)	(633)	(23,484)	(10,682)	(396,302)
41	(blank)	0.00	0	0	0	0	0	0
42	(blank)	0.00	0	0	0	0	0	0
43	(blank)	0.00	0	0	0	0	0	0
44	Total Revenues	33.71	3,688,054	124,336,871	196,236	6,610,275	3,491,818	117,726,597
45	Net Annual Amount			340,649		18,110		322,539
46	Expense / Revenue Factor			0.8025		0.7998		
47	Allocated Revenue Amount			273,385		14,485		
48	Net Cash Working Capital			(66,840)		(2,976)		(63,865)

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