

Weather Normalization of Allocators - Summary

| | As Filed | Adj for Weatl Difference | |
|--------|----------|--------------------------|----------|
| Demand | 5.5961% | 5.5957% | -0.0004% |
| Energy | 5.5971% | 5.6183% | 0.0212% |

South Dakota

Revenue

Requirements

| | |
|-------------|------------|
| Plant-Prod | 3 |
| O&M-Prod | <u>296</u> |
| Total-Prod | 299 |
| Plant-Tran | (1) |
| O&M-Tran | <u>(1)</u> |
| Total-Tran | (1) |
| Grand Total | 298 |

Weather Normalization of Allocators - Plant (\$000s)

| | As Filed | Adj for Weather | Difference |
|--------|----------|-----------------|------------|
| Demand | 5.5961% | 5.5957% | -0.0004% |
| Energy | 5.5971% | 5.6183% | 0.0212% |

| | 2010 Test Year - NSPM Company |
|---|--|
| Prod (excl Wind) | |
| Plant | 7,778,939 |
| Reserve | 4,383,779 |
| ADIT | 663,190 |
| Rate Base | <u>2,731,970</u> |
| Change in RB due to Weather Normalizing Adjustments | (11) |

| | |
|---|----------------|
| Prod (Wind) | |
| Plant | 231,491 |
| Reserve | 13,956 |
| ADIT | 63,034 |
| Rate Base | <u>154,501</u> |
| Change in RB due to Weather Normalizing Adjustments | 33 |

| | |
|----------------------|----------|
| Total Prod RB Impact | 22 |
| Impact on Rev Reqts | <u>3</u> |

| | |
|---|----------------|
| Transmission | |
| Plant | 1,804,795 |
| Reserve | 613,234 |
| ADIT | 238,072 |
| Rate Base | <u>953,489</u> |
| Change in RB due to Weather Normalizing Adjustments | (4) |
| Impact on Rev Reqts | <u>(1)</u> |

| | Tax Rate (SD) | Cost of Capital | | |
|-------------------------|---------------|-----------------|-------|------------------|
| | | Rate | Ratio | Weighted Cost |
| | 35.00% | | | |
| Long Term Debt | 6.33% | 47.52% | | 3.01% |
| Short Term Debt | 0.00% | 0.00% | | 0.00% |
| Preferred Stock | 0.00% | 0.00% | | 0.00% |
| Common Equity | 11.00% | 52.48% | | 5.77% |
| Required Rate of Return | | | | <u>8.78%</u> |
| Before Tax Return | | | | <u>11.89%</u> |

| From Annual Report | |
|--------------------------|--------------|
| Average Plant in Service | \$ 714,371 |
| Annual Book Depr | \$ 18,618 |
| Avg Depr Rate | <u>2.61%</u> |

| | |
|----------------------------|---------------|
| Revenue Requirement Factor | <u>14.49%</u> |
|----------------------------|---------------|

PF29-3

Weather Normalization of Allocators - O&M

| | As Filed | Adj for Weath | Difference |
|--------|----------|---------------|------------|
| Demand | 5.5961% | 5.5957% | -0.0004% |
| Energy | 5.5971% | 5.6183% | 0.0212% |

From ALS file:

| | \$000s |
|-----------------------------------|--------------------------|
| NSPM Prod \$ allocated on Demand | 670,497 (Per ALS file) |
| SD Impact of Change in Allocators | (3) |
| NSPM Prod \$ allocated on Energy | 1,409,395 (Per ALS file) |
| SD Impact of Change in Allocators | 299 |
| Total Production Impact | 296 |
| NSPM Tran \$ allocated on Demand | 180,982 (Per ALS file) |
| SD Impact of Change in Allocators | (1) |