

Revenue Requirement Calculation - Model Logic

Amounts in dollars

	Dec 2017	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total 2018 Sum of Jan through Dec 2018
CAPX2020 Brookings														
A Plant In-Service (CAA Input)	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465	453,846,465
B Depreciation Reserve (CAA Input)	27,951,372	28,604,726	29,258,080	29,911,434	30,564,788	31,218,142	31,871,496	32,524,850	33,178,204	33,831,558	34,484,911	35,138,265	35,791,619	35,791,619
C Accumulated Deferred Taxes (CAA Input)	94,626,825	94,881,318	95,135,811	95,390,304	95,644,797	95,899,290	96,153,783	96,408,276	96,662,769	96,917,262	97,171,755	97,426,248	97,680,741	97,680,741
D (PIS - Reserve - ADIT)	331,268,268	330,360,421	329,452,574	328,544,727	327,636,880	326,729,033	325,821,186	324,913,339	324,005,492	323,097,645	322,189,798	321,281,951	320,374,104	320,374,104
E Average Rate Base (Prior Mo + Cur Month)/2		330,814,344	329,906,497	328,998,650	328,090,803	327,182,957	326,275,110	325,367,263	324,459,416	323,551,569	322,643,722	321,735,875	320,828,028	
F Tax Depreciation Expense (CAA Input)		1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522	1,274,522
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)		518,051	516,088	514,124	512,161	510,197	508,234	506,270	504,307	502,343	500,380	498,416	496,453	496,453
J Book Depreciation (CAA Input)		653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354
K Deferred Taxes (CAA Input)		254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493
L Total Revenue Requirement (G+H+I+J+K)		3,341,865	3,334,643	3,327,422	3,320,200	3,312,979	3,305,758	3,298,536	3,291,315	3,284,093	3,276,872	3,269,650	3,262,429	3,262,429
M Jurisdiction Revenue Requirement (L * SD Jur * MISO Share)		16,271	16,235	16,200	16,165	16,130	16,095	16,060	16,024	15,989	15,954	15,919	15,884	15,884
O Rider Revenue Requirement (M - O)		16,271	16,235	16,200	16,165	16,130	16,095	16,060	16,024	15,989	15,954	15,919	15,884	192,926

Authorized Cost of Equity per EL14-058

Capital Structure	2018 Weighted Cost	Allocation Factors
Long Term Debt		
Short Term Debt		6.3147% SD Jur Factor
Preferred Stock		84.0798% IA Factor
Common Equity		5.3094% SD Factor Below
Required Rate of Return	6.9500%	MISO Allocation

Tax Rate (SD)	35.0000%
MISO Responsibility Percentage	9.1700%
SD Jurisdictional Factor	5.30939%

Equity Return (Item H)														
Book Depreciation (Item J)	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354	653,354
Deferred Taxes (Item K)	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493	254,493
Less Tax Depreciation (Item F)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)	(1,274,522)
Plus CPI-Tax Interest (If Applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sum														
Tax Rate (T)/(1-T)	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%
Tax Calc (Sum * Tax Rate)														

Reconciliation to Attachment 4  
 Line 1 of Annual Tracker Summary  
 Difference

192,926

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