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Xcel Energy

Docket No.: EL18-036

Response To: SD Public Utilities Commission Data Request No. 1-1

Requestor: South Dakota Public Utilities Commission Staff

Date Received: October 29, 2018

Question:

Provide the dollar impact the Tax Cuts and Jobs Act had on the 2018 and 2019 revenue requirements.

Response:

The inputs to our revenue requirement model were prepared using the current 21% tax rate for actual and forecasted costs for 2018 and 2019. Inputs relying on a hypothetical 35% tax rate are unavailable– most notably for the RECB revenue and expense inputs received from MISO. As such, any attempt to quantify the full impact of tax reform should be considered an estimate at best.

Theoretical estimates of the revenue requirements savings associated with the Tax Cuts and Jobs Acts are \$403,000 and \$438,000 for 2018 and 2019, respectively. These estimates are limited to the difference between the income taxes on the equity return at 21% and 35%, along with the tax gross up to arrive at the revenue requirement.

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