Xcel Energy South Dakota Capital Structure Carrying Charge Calculation

State of South Dakota Jurisdiction 2014 Rate Case-Docket EL-14-058 (Order issued 7/22/15) Base Assumptions

Capital Structure: Long-term Debt Short-term Debt Perferred Stock	[CONFIDENTIAL DATA BEGINS HERE	Percent	Cost	Weighted Cost	CONFIDENTIAL
Common Equity				7.22%	DATA ENDS HEREJ
				1.22/0	
Weighted Cost of Capital Equity	[CONFIDENTIAL DATA BEGINS				
Debt	HERE			CONFIDENTIAL	
Total				DATA ENDS HERE]	
Weighted Cost of Capital			7.22%		
Book Depreciation Rate	30 years		3.33%		
Tax Depreciation Life - MACRS	20 years 21.0000%				
Composite SD Tax Rate = Composite Company Tax Rate = Property Tax Exempt =	21.0000% 28.1344% 0				
Use these values beginning January (b) Composite SD Tax Rate	1, 2018:	21%			
(c) Carrying Charge Rate =					
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Northern States Power Company State of South Dakota- Electric Utility DSM Cost Recovery & Incentive Mechanism - Total 2018 Actual

2018	January	<u>February</u>	March	<u>April</u>	May	<u>June</u>	July	August	September	October	November	December	Total
<u>EXPENSES</u>	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
[CONFIDENTIAL DATA BEGINS	,												
1. Beg. Balance	,												
2. DSM Program Expenditures													
3. Accrued Incentive													
4. Total Expenditures + Incentive (Line 2 + 3)													
RECOVERY 5. Calendar Month Sales Volume (MWh)													
6. DSM Adjustment Factor (\$/MWh)													
7. Cost and Incentive Recovery													
8. Sub-Balance (Over)/Under Recovery													
(Sum Lines 1 - 3, minus Line 7)													
9. Accumulated Deferred Income Tax													
(Line 8 x 21%)	,												
10.Net Investment	,												
(Line 8 - 9)													
11. Carrying Charge Rate													
12. Carrying Charge													
(Line 10 x Line 11)													
(Line 10 X Line 11)													
13. End of Month Balance (over)/under recovered (Line 8 + 12)	1										CONFIDEN'	ΓΙΑL DATA ΕΊ	NDS]

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