

(\$000's)

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Line

No.

Dec - 2021		
Total	SD Electric	Other

**Composite Income Tax Rate**

1	State Tax Rate			
2	Federal Statutory Tax Rate	21.00%	21.00%	21.00%
3	<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
4	<b>Composite Tax Rate</b>	<b>21.00%</b>	<b>21.00%</b>	<b>21.00%</b>
5	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823

6

**Weighted Cost of Capital**

7				
8	Active Rates and Ratios Version	Proposed	Proposed	Proposed
9	Cost of Short Term Debt			
10	Cost of Long Term Debt	4.15%	4.15%	4.15%
11	Cost of Common Equity	10.75%	10.75%	10.75%
12	Ratio of Long Term Debt	46.99%	46.99%	46.99%
13	Ratio of Common Equity	53.01%	53.01%	53.01%
14	Weighted Cost of LTD	1.95%	1.95%	1.95%
15	Weighted Cost of Debt	1.95%	1.95%	1.95%
16	<u>Weighted Cost of Equity</u>	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
17	<b>Required Rate of Return</b>	<b>7.65%</b>	<b>7.65%</b>	<b>7.65%</b>

18

**Rate Base**

19				
20	Plant Investment	26,581,104	1,881,844	24,699,260
21	<u>Depreciation Reserve</u>	<u>12,101,671</u>	<u>811,365</u>	<u>11,290,306</u>
22	Net Utility Plant	14,479,433	1,070,479	13,408,954
23	CWIP			
24				
25	Accumulated Deferred Taxes	3,047,867	220,876	2,826,991
26	DTA - NOL Average Balance	(15,445)	(14,113)	(1,332)
27	DTA - Federal Tax Credit Average Balance	(503,531)	(36,020)	(467,511)
28	Total Accum Deferred Taxes	2,528,891	170,743	2,358,148
29				
30	Cash Working Capital	(29,123)	1,411	(30,534)
31	Materials and Supplies	178,303	12,006	166,296
32	Fuel Inventory	73,077	4,865	68,212
33	Non-plant Assets and Liabilities	119,865	8,309	111,556
34	Customer Advances	(10,055)	(1,556)	(8,499)
35	Customer Deposits	(27,311)	(47)	(27,264)
36	Prepays and Other	72,646	4,837	67,810
37	<u>Regulatory Amortizations</u>	<u>57,847</u>	<u>13,786</u>	<u>44,061</u>
38	Total Other Rate Base Items	435,249	43,611	391,638
39				
40	<b>Total Rate Base</b>	<b>12,385,791</b>	<b>943,348</b>	<b>11,442,443</b>

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Line No.	Dec - 2021			
	Total	SD Electric	Other	
1	<b>Operating Revenues</b>			
2	Retail	3,841,182	247,154	3,594,028
3	Interdepartmental	404		404
4	<u>Other Operating Rev - Non-Retail</u>	<u>1,071,019</u>	<u>63,818</u>	<u>1,007,201</u>
5	<b>Total Operating Revenues</b>	<b>4,912,604</b>	<b>310,971</b>	<b>4,601,633</b>
6				
7	<b>Expenses</b>			
8	Operating Expenses:			
9	Fuel	1,459,833	89,041	1,370,792
10	Deferred Fuel	(74,827)	76	(74,903)
11	Variable IA Production Fuel	15,067	1,003	14,064
12	<u>Purchased Energy - Windsorce</u>	<u>12,169</u>	<u>0</u>	<u>12,169</u>
13	Fuel & Purchased Energy Total	1,412,243	90,120	1,322,122
14	Production - Fixed	456,276	31,025	425,251
15	Production - Fixed IA Investment			
16	Production - Fixed IA O&M	47,082	3,178	43,904
17	Production - Variable	5,572	384	5,188
18	Production - Variable IA O&M	5,350	356	4,994
19	<u>Production - Purchased Demand</u>	<u>150,527</u>	<u>10,161</u>	<u>140,365</u>
20	Production Total	664,807	45,105	619,702
21	Regional Markets	10,668	721	9,947
22	Transmission IA	121,303	8,189	113,114
23	Transmission	271,831	11,406	260,425
24	Distribution	115,367	7,013	108,354
25	Customer Accounting	67,898	3,712	64,186
26	Customer Service & Information	151,246	1,320	149,927
27	Sales, Econ Dvlp & Other	3,090	238	2,851
28	<u>Administrative &amp; General</u>	<u>257,734</u>	<u>18,759</u>	<u>238,975</u>
29	<b>Total Operating Expenses</b>	<b>3,076,186</b>	<b>186,583</b>	<b>2,889,603</b>
30				
31	Depreciation	917,375	74,996	842,379
32	Amortization	52,213	3,490	48,723
33				
34	<b>Taxes:</b>			
35	Property Taxes	227,901	12,758	215,143
36	ITC Amortization	(1,366)	(74)	(1,292)
37	Deferred Taxes	148,487	8,731	139,756
38	Deferred Taxes - NOL	380	4,202	(3,823)
39	Less Federal Tax Credits deferred	(156,695)	(10,395)	(146,301)
40	Deferred Income Tax & ITC	(9,194)	2,464	(11,658)
41	<u>Payroll &amp; Other Taxes</u>	<u>30,516</u>	<u>2,050</u>	<u>28,466</u>
42	<b>Total Taxes Other Than Income</b>	<b>249,223</b>	<b>17,273</b>	<b>231,951</b>

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Line No.	Dec - 2021			
	Total	SD Electric	Other	
43	<b>Income Before Taxes</b>			
44	Total Operating Revenues	4,912,604	310,971	4,601,633
45	less: Total Operating Expenses	3,076,186	186,583	2,889,603
46	Book Depreciation	917,375	74,996	842,379
47	Amortization	52,213	3,490	48,723
48	<u>Taxes Other than Income</u>	<u>249,223</u>	<u>17,273</u>	<u>231,951</u>
49	<b>Total Before Tax Book Income</b>	617,607	28,629	588,978
50				
51	<b>Tax Additions</b>			
52	Book Depreciation	917,375	74,996	842,379
53	Deferred Income Taxes and ITC	(9,194)	2,464	(11,658)
54	Nuclear Fuel Burn (ex. D&D)	112,296	7,581	104,715
55	Nuclear Outage Accounting	39,708	2,663	37,045
56	Avoided Tax Interest	15,797	1,130	14,666
57	<u>Other Book Additions</u>	<u>3,033</u>	<u>696</u>	<u>2,337</u>
58	<b>Total Tax Additions</b>	1,079,015	89,531	989,484
59				
60	<b>Tax Deductions</b>			
61	Total Rate Base	12,385,791	943,348	11,442,443
62	Weighted Cost of Debt	1.95%	1.95%	1.95%
63	Debt Interest Expense	241,523	18,395	223,128
64	Nuclear Outage Accounting	55,353	3,711	51,642
65	Tax Depreciation and Removals	1,682,721	122,444	1,560,277
66	NOL Utilized / (Generated)	1,355	14,992	(13,637)
67	<u>Other Tax / Book Timing Differences</u>	<u>(4,457)</u>	<u>(1,396)</u>	<u>(3,060)</u>
68	<b>Total Tax Deductions</b>	1,976,495	158,146	1,818,349
69				
70	<b>State Taxes</b>			
71	State Taxable Income	(279,874)	(39,986)	(239,888)
72	State Income Tax Rate	-	-	-
73	State Taxes before Credits	-	-	-
74	<u>Less State Tax Credits applied</u>	-	-	-
75	<b>Total State Income Taxes</b>	-	-	-
76				
77	<b>Federal Taxes</b>			
78	Federal Taxable Income	(279,874)	(39,986)	(239,888)
79	Federal Income Tax Rate	21.00%	21.00%	21.00%
80	Federal Tax before Credits	(58,774)	(8,397)	(50,377)
81	<u>Less Federal Tax Credits</u>	<u>(8,317)</u>	<u>(590)</u>	<u>(7,726)</u>
82	<b>Total Federal Income Taxes</b>	(67,090)	(8,987)	(58,103)

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Line No.	Dec - 2021		
	Total	SD Electric	Other
1	<b>Total Taxes</b>		
2			
3			
4			
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8			
9			
10			
11			
12			
13			
14	<b>Rate of Return (ROR)</b>		
15			
16			
17			
18			
19	<b>Return on Equity (ROE)</b>		
20			
21			
22			
23			
24			
25			
26	<b>Revenue Deficiency</b>		
27			
28			
29			
30			
31			
32			
33			
34	<b>Total Revenue Requirements</b>		
35			
36			
37			