

Section J

20:10:13:86. Statement J -- Depreciation expense. Statement J shall show for the test period depreciation expense by functional classification. These expenses shall be shown in separate columns as follows:

- (1) Expenses for the test period per books;
- (2) Claimed adjustments, if any, to actual expense;
- (3) Total adjusted expense claimed.

The bases, methods, essential computations and derivation of unit rates for the calculation of depreciation expense for the test period and for the depreciation adjustments shall be fully and clearly explained. The amounts of depreciable plant shall be shown by the functions specified in paragraph C of account 108, accumulated provisions for depreciation of plant in service of the FERC's uniform systems of accounts for public utilities and licensees or for gas companies and, if available, for each detailed plant account in the 300 series, together with the rates used in computing such expenses. Any deviation from the rates used in disposing of the utility's last previous rate filing or determination by this commission shall be explained, showing the rate or rates previously used together with supporting data for the new rate or rates used for this filing. Material required by § 20:10:13:87 shall be submitted as a part of statement J.

Schedule J-1: Expense charged other than prescribed depreciation. Schedule J-1 shall be included in support of statement J as a reconciliation of the aggregate investment in electric or gas plant shown in statement D, and the expense thereon charged in the first instance to other than prescribed depreciation expense accounts.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-7, 49-34A-10, 49-34A-12, 49-34A-41.

Northern States Power Company
Electric Utility - State of South Dakota
Depreciation Expense
Year Ended December 31, 2021

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Less: Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Steam Production								
311	Structures & Improvements	\$ 292,528,264	*	9,868,895		9,868,895		
312	Boiler Plant Equipment	1,488,471,612	*	68,278,345		68,278,345		
314	Turbogenerator Units	320,572,449	*	17,917,007		17,917,007		
315	Accessory Electric Equipment	187,307,527	*	7,740,059		7,740,059		
316	Miscellaneous Power Plant Equipment	54,029,561	*	1,592,587		1,592,587		
		\$ 2,342,909,413		105,396,893		105,396,893		
							Pre-Funded	(1,128,823)
								104,268,069
Steam Production Subtotal								
Nuclear Production								
321	Structures & Improvements	\$ 605,023,633	*	21,055,597		21,055,597		
322	Reactor Plant Equipment	1,951,599,750	*	84,108,028		84,108,028		
323	Turbogenerator Units	649,807,263	*	29,832,102		29,832,102		
324	Accessory Electric Equipment	560,371,417	*	22,856,057		22,856,057		
325	Miscellaneous Power Plant Equipment	206,670,159	*	6,475,682		6,475,682		
		\$ 3,973,472,222		164,327,466		164,327,466		
Hydro Production								
331	Structures & Improvements	\$ 1,467,523	*	73,010		73,010		
332	Reservoirs, Dams & Waterways	11,086,236	*	610,927		610,927		
333	Water Wheels, Turbines & Generators	10,156,575	*	600,808		600,808		
334	Accessory Electric Equipment	3,278,917	*	186,937		186,937		
335	Miscellaneous Power Plant Equipment	60,825	*	646		646		
336	Road, Railroad & Bridge	151,351	*	14,930		14,930		
		\$ 26,201,427		1,487,259		1,487,259		
	10336000-Hydro Prod Road, RR & Brdg							
Decommissioning								
325	Nuclear Decommissioning MN Retail	\$ -	*	14,030,831		14,030,831		
325	Nuclear Decommissioning ND Retail	-	*	2,250,002		2,250,002		
325	Nuclear Decommissioning SD Retail	-	*	1,234,251		1,234,251		
325	Nuclear Decommissioning MN Whsle	-	*	0		-		
325	Nuclear Decommissioning WI Retail	-	*	4,830,150		4,830,150		
325	Nuclear Decommissioning WI Whsle	-	*	0		-		
		\$ -		22,345,234		22,345,234		
325	Less: Nuclear Decommissioning WI Retail & Whsle	-		4,830,150		4,830,150		
		\$ -		17,515,084		17,515,084		

Northern States Power Company
Electric Utility - State of South Dakota
Depreciation Expense
Year Ended December 31, 2021

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Less: Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Other Production								
340.045	Wind Rights	\$ 17,303,691	*	745,069		745,069		
340	Wind Land Own	99,990	*	0		0		
341	Structures & Improvements	454,185,711	*	15,729,225		15,729,225		
342	Fuel Holders, Producers & Accessories	27,411,657	*	768,848		768,848		
343	Other Production Movers	142,629,498	*	4,447,237		4,447,237		
344	Generators	3,714,806,457	*	154,545,140		154,545,140		
345	Accessory Electric Equipment	325,447,451	*	12,652,982		12,652,982		
346	Miscellaneous Power Plant Equipment	49,286,804	*	1,373,186		1,373,186		
348	Energy Storage Equipment	4,128,902	*	558,437		558,437		
		\$ 4,735,300,161		190,820,125		190,820,125		
					Pre-Funded	(4,436,454)		
						186,383,671		
Other Plant - Acquisition Adjustment								
114	Overhead Conductor & Devices	\$ 73,787,674	0.00%	- (3)		2,988,779		
Other Acquisition Adjustment Total		\$ 73,787,674		-		2,988,779	-	2,988,779
Other Production Subtotal						189,372,450		
Electric Production Subtotal		\$ 11,151,670,897		479,546,826		476,970,328		
Electric Production Total						Difference Between Financial View and SD Rules	757,041	
						477,727,370	56,137,000	533,864,370
Transmission								
352	Structures & Improvements	\$ 147,573,685	1.49%	2,203,845		2,203,845		
353	Station Equipment	1,402,268,421	2.05%	28,711,885		28,711,885		
354	Towers & Fixtures	118,532,964	1.77%	2,097,063		2,097,063		
355	Poles & Fixtures	1,479,139,461	2.40%	35,559,852		35,559,852		
356	Overhead Conductor & Devices	628,751,052	2.01%	12,644,825		12,644,825		
357	Underground Conduit	31,242,916	1.36%	425,964		425,964		
358	Underground Conductor & Devices	35,800,725	2.06%	736,078		736,078		
Transmission Subtotal		\$ 3,843,309,224		82,379,512		82,379,512		
						Pre-Funded	(1,751,014)	
Transmission Total						Difference Between Financial View and SD Rules	(11,913,521)	
						68,714,976	13,381,000	82,095,976
Transmission Plant - Acquisition Adjustment								
114	Overhead Conductor & Devices	\$ 310,110	0.00%	- (3)		14,976		
Transmission Acquisition Adjustment Total		\$ 310,110		-		14,976	-	14,976

Northern States Power Company
Electric Utility - State of South Dakota
Depreciation Expense
Year Ended December 31, 2021

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Less: Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
Distribution (4)								
361	Structures & Improvements	\$ 60,607,695	2.09%	1,263,680		1,263,680		
362	Station Equipment	715,015,018	2.31%	16,545,093		16,545,093		
364	Poles, Towers & Fixtures	546,292,908	4.60%	25,137,631		25,137,631		
365	Overhead Conductor & Devices	566,568,123	3.17%	17,949,278		17,949,278		
366	Underground Conduit	351,277,140	2.13%	7,490,769		7,490,769		
367	Underground Conductor & Devices	1,323,691,918	2.22%	29,322,905		29,322,905		
368	Line Transformers	469,186,777	3.25%	15,261,065		15,261,065		
368	Line Capacitors	28,400,139	3.96%	1,125,107		1,125,107		
369	Services - Overhead	90,720,506	4.32%	3,916,574		3,916,574		
369	Services - Underground	282,237,240	2.26%	6,365,170		6,365,170		
370	Meters	101,485,454	6.46%	6,553,704		6,553,704		
371	Installations on Customer Premises	79,087	10.83%	8,568 (3)		8,568		
373	Street Lighting and Signal Systems	83,156,895	5.76%	4,793,677		4,793,677		
Distribution Subtotal (4)		\$ 4,618,718,900		135,733,220		135,733,220		
				Amortization of SD Short Term AFUDC		477,000		
Distribution Total (4)						136,210,220	3,406,000	139,616,220
Electric General								
390	Structures & Improvements	\$ 75,984,221	2.19%	1,663,159		1,663,159		
391	Office Furniture & Equipment	89,699,611	10.81%	9,699,236		9,699,236		
392	Transportation Equipment	200,815,872	5.99%	12,038,502	(12,038,502)	0		
393	Stores Equipment	1,624,278	4.27%	69,345		69,345		
394	Tools, Shop & Garage Equipment	112,665,583	6.26%	7,049,871		7,049,871		
395	Laboratory Equipment	2,820,148	8.96%	252,619		252,619		
396	Power Operated Equipment	53,395,833	5.46%	2,915,530	(2,915,530)	0		
397	Communication Equipment	161,587,609	8.59%	13,883,698		13,883,698		
398	Miscellaneous Equipment	4,047,268	2.13%	86,315		86,315		
Electric General Subtotal		\$ 702,640,423		47,658,275	(14,954,032) (5)	32,704,243		
				Difference Between Financial View and SD Rules		799,739		
Electric General Total						33,503,982	1,339,000	34,842,982
Electric Intangibles								
302	Franchises and Consents	\$ 256,943,216	5.17%	13,277,763		13,277,763		
303	Miscellaneous Intangible Plant (6)	155,188,716	8.39%	13,017,051		13,017,051		
Electric Intangibles Subtotal		\$ 412,131,932		26,294,814		26,294,814		
				Difference Between Financial View and SD Rules		(161,677)		
Electric Intangibles Total						26,133,137	13,604,000	39,737,137
Electric Common Plant (7) (8)				84,609,858	(689,497)	83,920,361		
				Difference Between Financial View and SD Rules		(1,066,502)		
Electric Common Plant Total						82,853,859	5,587,000	88,440,859
Total Electric (Including Electric Common)		\$ 20,728,781,486		\$ 856,222,506	\$ (15,643,529)	\$ 825,158,519	\$ 93,454,000	\$ 918,612,519 (2)

Northern States Power Company
 Electric Utility - State of South Dakota
 Depreciation Expense
 Year Ended December 31, 2021

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Less: Charged to Other Accounts	Net Depreciation Expense	Adjustments	Adjusted Depreciation Expense
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* Remaining Life Technique used for calculating Production Plant Depreciation

For further explanation see Statement J footnote.

- (1) See Schedule E-3 for an explanation of the computation of depreciation.
- (2) See Statement M, Pages 3-5
- (3) Plant balance is fully reserved at December 31, 2021.
- (4) Electric Distribution Plant in the schedule above contains Total NSP-Minnesota Company all jurisdictions.
- (5) Electric Utility Depreciation Expense charged to Clearing Accounts.
- (6) Computer Software
- (7) Depreciation Expense related to Electric Common Plant is not available in the same detail as Total Electric.
- (8) Common Depreciation allocation to Electric is based on the allocation found in the FERC Form 1, page 356.

Note: NSP-Minnesota did not have any plant leased to others as of December 31, 2021