

Xcel Energy
2021 South Dakota Rate Case
Donations

The purpose of this adjustment is to include in the test year certain donations paid to charitable organizations that the Company feels are an appropriate cost to be included in base rates.

The bold below is taken from an Xpressnet article written on April 6th 2020.

Sale of Mankato plant to support corporate giving

The net gain from the sale, which is expected to close in the third quarter of 2020, will fund corporate giving and long-term coronavirus relief efforts in communities across the Xcel Energy service territory. Details of the funding will be finalized in the coming months.

**Northern States Power Company
South Dakota Electric Jurisdiction
2021 Historic Test Year (HTY)
Donations Adjustment**

Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
1	<u>Composite Income Tax Rate</u>		
2	State Tax Rate		
3	Federal Statutory Tax Rate	63.00%	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>63.00%</u>	<u>21.00%</u>
5	Composite Tax Rate	63.00%	21.00%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	3.797468	1.265823
7			
8	<u>Weighted Cost of Capital</u>		
9	Active Rates and Ratios Version	#VALUE!	Proposed
10	Cost of Short Term Debt		
11	Cost of Long Term Debt	12.46%	4.15%
12	Cost of Common Equity	32.25%	10.75%
13	Ratio of Short Term Debt		
14	Ratio of Long Term Debt	140.97%	46.99%
15	Ratio of Common Equity	159.03%	53.01%
16	Weighted Cost of STD		
17	Weighted Cost of LTD	5.85%	1.95%
18	Weighted Cost of Debt	5.85%	1.95%
19	<u>Weighted Cost of Equity</u>	<u>17.10%</u>	<u>5.70%</u>
20	Required Rate of Return	22.95%	7.65%
21			
22	<u>Rate Base</u>		
23	Plant Investment		
24	<u>Depreciation Reserve</u>	-	-
25	Net Utility Plant		
26	CWIP		
27			
28	Accumulated Deferred Taxes		
29	DTA - NOL Average Balance		
30	DTA - Federal Tax Credit Average Balance	-	-
31	Total Accum Deferred Taxes		
32			
33	Cash Working Capital		
34	Materials and Supplies		
35	Fuel Inventory		
36	Non-plant Assets and Liabilities		
37	Customer Advances		
38	Customer Deposits		
39	Prepays and Other		

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Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
40	<u>Regulatory Amortizations</u>	-	-
41	Total Other Rate Base Items		
42			
43	Total Rate Base		
44			
45	<u>Operating Revenues</u>		
46	Retail		
47	Interdepartmental		
48	<u>Other Operating Rev - Non-Retail</u>	-	-
49	Total Operating Revenues		
50			
51	<u>Expenses</u>		
52	Operating Expenses:		
53	Fuel		
54	Deferred Fuel		
55	Variable IA Production Fuel		
56	<u>Purchased Energy - Windsource</u>	0	0
57	Fuel & Purchased Energy Total		
58	Production - Fixed		
59	Production - Fixed IA Investment		
60	Production - Fixed IA O&M		
61	Production - Variable		
62	Production - Variable IA O&M		
63	<u>Production - Purchased Demand</u>	0	0
64	Production Total		
65	Regional Markets		
66	Transmission IA		
67	Transmission		
68	Distribution		
69	Customer Accounting		
70	Customer Service & Information		
71	Sales, Econ Dvlp & Other		
72	<u>Administrative & General</u>	2,026,696	106,776
73	Total Operating Expenses	2,026,696	106,776
74			
75	Depreciation		
76	Amortization		
77			
78	<u>Taxes:</u>		

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Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
79	Property Taxes		
80	ITC Amortization		
81	Deferred Taxes		
82	Deferred Taxes - NOL		
83	Less State Tax Credits deferred		
84	Less Federal Tax Credits deferred		
85	Deferred Income Tax & ITC		
86	Payroll & Other Taxes		
87	Total Taxes Other Than Income		
88			
89	<u>Income Before Taxes</u>		
90	Total Operating Revenues		
91	less: Total Operating Expenses	2,026,696	106,776
92	Book Depreciation		
93	Amortization		
94	<u>Taxes Other than Income</u>	-	-
95	Total Before Tax Book Income	(2,026,696)	(106,776)
96			
97	<u>Tax Additions</u>		
98	Book Depreciation		
99	Deferred Income Taxes and ITC		
100	Nuclear Fuel Burn (ex. D&D)		
101	Nuclear Outage Accounting		
102	Avoided Tax Interest		
103	<u>Other Book Additions</u>	-	-
104	Total Tax Additions		
105			
106	<u>Tax Deductions</u>		
107	Total Rate Base		
108	Weighted Cost of Debt	<u>5.85%</u>	<u>1.95%</u>
109	Debt Interest Expense		
110	Nuclear Outage Accounting		
111	Tax Depreciation and Removals		
112	NOL Utilized / (Generated)		
113	<u>Other Tax / Book Timing Differences</u>	<u>0</u>	<u>0</u>
114	Total Tax Deductions		
115			
116	<u>State Taxes</u>		
117	State Taxable Income	(2,026,696)	(106,776)

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2021 Historic Test Year (HTY)
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Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
118	State Income Tax Rate	-	-
119	State Taxes before Credits		
120	<u>Less State Tax Credits applied</u>	-	-
121	Total State Income Taxes		
122			
123	<u>Federal Taxes</u>		
124	Federal Sec 199 Production Deduction		
125	Federal Taxable Income	(2,026,696)	(106,776)
126	Federal Income Tax Rate	<u>63.00%</u>	<u>21.00%</u>
127	Federal Tax before Credits	(425,606)	(22,423)
128	<u>Less Federal Tax Credits</u>	-	-
129	Total Federal Income Taxes	(425,606)	(22,423)
130			
131	Total Taxes		
132	Total Taxes Other than Income		
133	Total Federal and State Income Taxes	(425,606)	(22,423)
134	Total Taxes	(425,606)	(22,423)
135			
136	Total Operating Revenues		
137	Total Expenses	1,601,090	84,353
138			
139	AFDC Debt		
140	AFDC Equity		
141			
142	Net Income	(1,601,090)	(84,353)
143			
144	<u>Rate of Return (ROR)</u>		
145	Total Operating Income	(1,601,090)	(84,353)
146	<u>Total Rate Base</u>	-	-
147	ROR (Operating Income / Rate Base)		
148			
149	<u>Return on Equity (ROE)</u>		
150	Net Operating Income	(1,601,090)	(84,353)
151	Debt Interest (Rate Base * Weighted Cost of Debt)		
152	Earnings Available for Common	(1,601,090)	(84,353)
153	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-	-
154	ROE (earnings for Common / Equity)		
155			
156	<u>Revenue Deficiency</u>		

**Northern States Power Company
 South Dakota Electric Jurisdiction
 2021 Historic Test Year (HTY)
 Donations Adjustment**

Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
157	Required Operating Income (Rate Base * Required Return)		
158	<u>Net Operating Income</u>	(1,601,090)	(84,353)
159	Operating Income Deficiency	1,601,090	84,353
160			
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	3.797468	1.265823
162	<u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u>	<u>2,026,696</u>	<u>106,776</u>
163			
164	<u>Total Revenue Requirements</u>		
165	Total Retail Revenues		
166	<u>Revenue Deficiency</u>	<u>2,026,696</u>	<u>106,776</u>
167	Total Revenue Requirements	2,026,696	106,776
168			
	Data Source	\$2,026,696	\$106,776
	Difference	\$0.00	\$0.00

NORTHERN STATES POWER CO d/b/a XCEL ENERGY
Charitable Contributions / Donations
YEAR ENDED 12-31-21
STATE OF MN & SD - 50% INCLUSION
FERC 426.1 - JDE BU 500019

ELECTRIC	Total Co	SD
Corporate Contributions		
Arts and Culture	\$ 244,449	\$ 16,000
Disaster	\$ -	\$ -
Economic Sustainability	\$ 621,851	\$ 43,000
Education	\$ 596,734	\$ 43,750
Environment	\$ 175,066	\$ -
Other Grants	\$ -	\$ -
Strategic Philanthropy Grants	\$ -	\$ -
Executive/Disaster Grants	\$ -	\$ -
Covid	\$ -	\$ -
Total Focus Area Grants	\$ 1,638,099	\$ 102,750
Volunteering	\$ 71,038	\$ 1,000
United Way	\$ 886,789	\$ 10,533
Disaster Relief	\$ -	\$ -
Higher Education	\$ 35,285	\$ 6,542
Non-Profit	\$ 101,129	\$ 1,400
Covid	\$ -	\$ -
Matching Grants	\$ 136,415	\$ 7,942
Total Electric	\$ 2,732,341	\$ 122,225
Donations Non-Corp	\$ 1,176,982	\$ 91,327
MN 50% Electric Inclusion		\$1,839,071
ND & SD 100% Excluded		\$106,776

GAS	Total Co
Corporate Contributions	
Arts and Culture	\$ 45,714
Disaster	\$ -
Economic Sustainability	\$ 81,736
Education	\$ 94,517
Environment	\$ 27,434
Other Grants	\$ -
Strategic Philanthropy Grants	\$ -
Executive/Disaster Grants	\$ -
Covid	\$ -
Focus Area Grants	\$ 249,401
Volunteering	\$ 16,874
United Way	\$ 76,270
Disaster Relief	\$ -
Higher Education	\$ 4,995
Non-Profit	\$ 13,016
Covid	\$ -
Matching Grants	\$ 18,012
Total Gas	\$ 360,557
Donations Non-Corp	\$ 77,938
MN & ND 50% Gas Inclusion	
\$187,625	