

Northern States Power Company
State of South Dakota Electric Jurisdiction
2021 Actual

Association Dues

The purpose of the Association Dues is to reduce administrative and general expenses for dues paid to either social organizations or organizations not associated with the State of South Dakota.

Northern States Power Company
2021 Actuals
Association Dues

South Dakota	2021
Electric	
Association Dues Excluded	<u><u>(6,442.00)</u></u>

An adjustment is required to remove costs associated with organizational dues that are not allowed for recovery from customers.

The Association Dues adjustment for the rate case was based on an allocation of 2021 actual allowances applied to the applicable test year or plan year budget. This was done to provide consistency and comparability across the test year and to base the adjustment on the last year of actual data consistent with the employee expense

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

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
1	<u>Composite Income Tax Rate</u>		
2	State Tax Rate	49.00%	9.80%
3	Federal Statutory Tax Rate	105.00%	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>94.71%</u>	<u>18.94%</u>
5	Composite Tax Rate	143.71%	28.74%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	7.016756	1.403351
7			
8	<u>Weighted Cost of Capital</u>		
9	Active Rates and Ratios Version	#VALUE!	Proposed
10	Cost of Short Term Debt	8.60%	1.72%
11	Cost of Long Term Debt	20.70%	4.14%
12	Cost of Common Equity	45.30%	9.06%
13	Ratio of Short Term Debt	0.50%	0.10%
14	Ratio of Long Term Debt	235.75%	47.15%
15	Ratio of Common Equity	263.75%	52.75%
16	Weighted Cost of STD		
17	Weighted Cost of LTD	9.75%	1.95%
18	Weighted Cost of Debt	9.75%	1.95%
19	<u>Weighted Cost of Equity</u>	<u>23.90%</u>	<u>4.78%</u>
20	Required Rate of Return	33.65%	6.73%
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		
40	<u>Regulatory Amortizations</u>	-	-
41	Total Other Rate Base Items		
42			
43	Total Rate Base		
44			
45	<u>Operating Revenues</u>		

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South Dakota Electric Jurisdiction
2021 Historic Test Year (HTY)
Professional Dues Adjustment**

Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	NSPM SD Electric Retail HTY - 2021
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>	<u>0</u>	<u>0</u>
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>	<u>0</u>	<u>0</u>
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>	<u>(102,515)</u>	<u>(6,442)</u>
73	Total Operating Expenses	(102,515)	(6,442)
74			
75	Depreciation		
76	Amortization		
77			
78	<u>Taxes:</u>		
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		

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Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
91	less: Total Operating Expenses	(102,515)	(6,442)
92	Book Depreciation		
93	Amortization		
94	<u>Taxes Other than Income</u>	-	-
95	Total Before Tax Book Income	102,515	6,442
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>9.75%</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	102,515	6,442
118	State Income Tax Rate	<u>49.00%</u>	<u>9.80%</u>
119	State Taxes before Credits	10,046	631
120	<u>Less State Tax Credits applied</u>	-	-
121	Total State Income Taxes	10,046	631
122			
123	<u>Federal Taxes</u>		
124	Federal Sec 199 Production Deduction		
125	Federal Taxable Income	92,469	5,811
126	Federal Income Tax Rate	<u>105.00%</u>	<u>21.00%</u>
127	Federal Tax before Credits	19,418	1,220
128	<u>Less Federal Tax Credits</u>	-	-
129	Total Federal Income Taxes	19,418	1,220
130			
131	Total Taxes		
132	Total Taxes Other than Income		
133	Total Federal and State Income Taxes	29,465	1,852
134	Total Taxes	29,465	1,852
135			

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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
136	Total Operating Revenues		
137	Total Expenses	(73,050)	(4,590)
138			
139	AFDC Debt		
140	AFDC Equity		
141			
142	Net Income	73,050	4,590
143			
144	<u>Rate of Return (ROR)</u>		
145	Total Operating Income	73,050	4,590
146	<u>Total Rate Base</u>	-	-
147	ROR (Operating Income / Rate Base)		
148			
149	<u>Return on Equity (ROE)</u>		
150	Net Operating Income	73,050	4,590
151	Debt Interest (Rate Base * Weighted Cost of Debt)		
152	Earnings Available for Common	73,050	4,590
153	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-	-
154	ROE (earnings for Common / Equity)		
155			
156	<u>Revenue Deficiency</u>		
157	Required Operating Income (Rate Base * Required Return)		
158	<u>Net Operating Income</u>	73,050	4,590
159	Operating Income Deficiency	(73,050)	(4,590)
160			
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	7.016756	1.403351
162	<u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u>	(102,515)	(6,442)
163			
164	<u>Total Revenue Requirements</u>		
165	Total Retail Revenues		
166	<u>Revenue Deficiency</u>	<u>(102,515)</u>	<u>(6,442)</u>
167	Total Revenue Requirements	(102,515)	(6,442)
168			