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Northern States Power Company Nuclear Decommissioning Accrual South Daktota Retail Jurisdiction 2021 Test Year

> Present Accrual (as presented in JUR 133) Difference Proposed 817,396 \$ 4,620,271 \$ 3,802,875 143,872 2,051,067 1,907,195 272,983 1,521,292 1,248,309 1,234,251 \$ 8,192,630 \$ 6,958,378

<--amounts are already interchanged

Prairie Island Unit 1 Prairie Island Unit 2

SD Decommissioning

Customer Advances
Customer Deposits

| NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT | Dec - 2021 | |
|---|--------------|--------------|
| | Total | SD Electric |
| Composite Income Tax Rate | | |
| State Tax Rate | | |
| Federal Statuatory Tax Rate | 21.00% | 21.00% |
| Federal Effective Tax Rate | 21.00% | 21.00% |
| Composite Tax Rate | 21.00% | 21.00% |
| Revenue Conversion Factor (1/(1Composite Tax Rate)) | 1.265823 | 1.265823 |
| Weighted Cost of Capital | | |
| Active Rates and Ratios Version | | Proposed |
| Cost of Short Term Debt | | |
| Cost of Long Term Debt | 4.15% | 4.15% |
| Cost of Common Equity | 10.75% | 10.75% |
| Ratio of Short Term Debt | | |
| Ratio of Long Term Debt | 46.99% | 46.99% |
| Ratio of Common Equity | 53.01% | 53.01% |
| Weighted Cost of STD | | |
| Weighted Cost of LTD | 1.95% | 1.95% |
| Weighted Cost of Debt | 1.95% | 1.95% |
| Weighted Cost of Equity | <u>5.70%</u> | <u>5.70%</u> |
| Required Rate of Return | 7.65% | 7.65% |
| Rate Base | | |
| Plant Investment | | |
| <u>Depreciation Reserve</u> | _ | _ |
| Net Utility Plant | | |
| CWIP | | |
| Accumulated Deferred Taxes | | |
| DTA - NOL Average Balance | | |
| DTA - Federal Tax Credit Average Balance | <u>-</u> | <u>-</u> |
| Total Accum Deferred Taxes | | |
| Cash Working Capital | | |
| Materials and Supplies | | |
| Fuel Inventory | | |
| Non-plant Assets and Liabilities | | |

SD Decommissioning

| NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT | Dec - 2021 | |
|---|------------|-------------|
| | Total | SD Electric |
| Prepaids and Other | | |
| Regulatory Amortizations | = | = |
| Total Other Rate Base Items | | |
| Total Rate Base | | |
| Operating Revenues | | |
| Retail | | |
| Interdepartmental | | |
| Other Operating Rev - Non-Retail | - | - |
| Total Operating Revenues | | |
| <u>Expenses</u> | | |
| Operating Expenses: | | |
| Fuel | | |
| Deferred Fuel | | |
| Variable IA Production Fuel | | |
| Purchased Energy - Windsource | <u>0</u> | <u>0</u> |
| Fuel & Purchased Energy Total | | |
| Production - Fixed | | |
| Production - Fixed IA Investment | | |
| Production - Fixed IA O&M | | |
| Production - Variable | | |
| Production - Variable IA O&M | | |
| Production - Purchased Demand | <u>0</u> | <u>0</u> |
| Production Total | | |
| Regional Markets | | |
| Transmission IA | | |
| Transmission | | |
| Distribution | | |
| Customer Accounting | | |
| Customer Service & Information | | |
| Sales, Econ Dvlp & Other | | |
| Administrative & General | <u>0</u> | <u>0</u> |
| Total Operating Expenses | | |
| Depreciation | 6,958,378 | 6,958,378 |
| Amortization | | |

SD Decommissioning

| NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - | Dec - 2021 | |
|---|------------|-------------|
| DRAFT | Total | SD Electric |

Taxes:

Property Taxes

ITC Amortization

Deferred Taxes

Deferred Taxes - NOL

Less State Tax Credits deferred

Less Federal Tax Credits deferred

Deferred Income Tax & ITC

Payroll & Other Taxes

Total Taxes Other Than Income

| Income Before Taxes | | |
|-------------------------------------|--------------|--------------|
| Total Operating Revenues | | |
| less: Total Operating Expenses | | |
| Book Depreciation | 6,958,378 | 6,958,378 |
| Amortization | | |
| Taxes Other than Income | - | - |
| Total Before Tax Book Income | (6,958,378) | (6,958,378) |
| <u>Tax Additions</u> | | |
| Book Depreciation | 6,958,378 | 6,958,378 |
| Deferred Income Taxes and ITC | 0,550,570 | 0,330,370 |
| Nuclear Fuel Burn (ex. D&D) | | |
| Nuclear Outage Accounting | | |
| Avoided Tax Interest | | |
| Other Book Additions | | |
| Total Tax Additions | 6,958,378 | 6,958,378 |
| Total Tax Additions | 0,550,570 | 0,330,370 |
| Tax Deductions | | |
| Total Rate Base | | |
| Weighted Cost of Debt | <u>1.95%</u> | <u>1.95%</u> |
| Debt Interest Expense | | |
| Nuclear Outage Accounting | | |
| Tax Depreciation and Removals | 6,958,378 | 6,958,378 |
| NOL Utilized / (Generated) | | |
| Other Tax / Book Timing Differences | <u>0</u> | <u>0</u> |
| Total Tax Deductions | 6,958,378 | 6,958,378 |

SD Decommissioning

| State Taxes | NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - | Dec - 2021 | |
|--|---|--------------|---------------|
| State Taxable Income (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (7,95 | | Total | SD Electric |
| State Taxable Income (6,958,378) (6,95 | | | |
| State Income Tax Rate | State Taxes | | |
| State Taxes before Credits Less State Tax Credits applied | State Taxable Income | (6,958,378) | (6,958,378) |
| Less State Tax Credits applied | State Income Tax Rate | - | _ |
| Total State Income Taxes | State Taxes before Credits | | |
| Federal Taxes Federal Sec 199 Production Deduction (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (6,958,378) (21,00% 21,0 | Less State Tax Credits applied | - | - |
| Federal Sec 199 Production Deduction Federal Taxable Income (6,958,378) (6,958, 378) (1,461, 259) (| Total State Income Taxes | | |
| Federal Sec 199 Production Deduction | Federal Taxes | | |
| Federal Income Tax Rate 21.00% 21.00 Federal Tax before Credits (1,461,259) (1,461,251) Less Federal Tax Credits Total Federal Income Taxes (1,461,259) (1,461,259) Total Taxes Total Taxes Other than Income Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Operating Revenues Total Expenses 5,497,119 5,497,119 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,119) Total Operating Income (5,497,119) (5,497,119) Total Rate Base Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,119) | | | |
| Federal Income Tax Rate 21.00% 21.00 Federal Tax before Credits (1,461,259) (1,461,251) Less Federal Tax Credits Total Federal Income Taxes (1,461,259) (1,461,259) Total Taxes Total Taxes Other than Income Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) (1,461,259) Total Operating Revenues Total Expenses 5,497,119 5,497,119 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,119) Total Operating Income (5,497,119) (5,497,119) Total Rate Base Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,119) | Federal Taxable Income | (6,958,378) | (6,958,378) |
| Federal Tax before Credits | Federal Income Tax Rate | | <u>21.00%</u> |
| Less Federal Tax Credits | Federal Tax before Credits | | (1,461,259) |
| Total Federal Income Taxes (1,461,259) (1,461,259) Total Taxes (1,461,259) | Less Federal Tax Credits | | .,,,,, |
| Total Taxes Other than Income Total Federal and State Income Taxes (1,461,259) (1,461,257) Total Taxes (1,461,259) (1,461,259) Total Operating Revenues Total Expenses 5,497,119 5,497,2 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,20) Rate of Return (ROR) Total Operating Income (5,497,119) (5,497,20) Total Rate Base ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,20) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,20) | | (1,461,259) | (1,461,259) |
| Total Federal and State Income Taxes (1,461,259) (1,46 | Total Taxes | | |
| Total Taxes (1,461,259) (1,461 | Total Taxes Other than Income | | |
| Total Taxes (1,461,259) (1,461,259) Total Operating Revenues Total Expenses 5,497,119 5,497,3 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,3 Rate of Return (ROR) Total Operating Income (5,497,119) (5,497,3 Total Rate Base ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,3 | Total Federal and State Income Taxes | (1,461,259) | (1,461,259) |
| Total Expenses 5,497,119 5,497,13 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,319) Rate of Return (ROR) (5,497,119) (5,497,319) Total Operating Income (5,497,119) (5,497,319) Return on Equity (ROE) (5,497,119) (5,497,119) Net Operating Income (5,497,119) (5,497,119) | Total Taxes | | (1,461,259) |
| Total Expenses 5,497,119 5,497,13 AFDC Debt AFDC Equity Net Income (5,497,119) (5,497,319) Rate of Return (ROR) (5,497,119) (5,497,319) Total Operating Income (5,497,119) (5,497,319) Return on Equity (ROE) (5,497,119) (5,497,119) Net Operating Income (5,497,119) (5,497,119) | Total Operating Revenues | | |
| AFDC Equity Net Income (5,497,119) (5,497,12) Rate of Return (ROR) Total Operating Income (5,497,119) (5,497,12) Total Rate Base ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,120) | | 5,497,119 | 5,497,119 |
| Net Income (5,497,119) (5,497,1 Rate of Return (ROR) Total Operating Income (5,497,119) (5,497,1 Total Rate Base | AFDC Debt | | |
| Rate of Return (ROR) Total Operating Income (5,497,119) (5,497,1 Total Rate Base ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,119) | AFDC Equity | | |
| Total Operating Income (5,497,119) (5,497,129) Total Rate Base | Net Income | (5,497,119) | (5,497,119) |
| Total Operating Income (5,497,119) (5,497,129) Total Rate Base | Data of Data was (DOD) | | |
| Total Rate Base ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,119) | | (F 407 440) | /E 407.440\ |
| ROR (Operating Income / Rate Base) Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,1 | , - | (5,497,119) | (5,497,119) |
| Return on Equity (ROE) Net Operating Income (5,497,119) (5,497,1 | | - | - |
| Net Operating Income (5,497,119) (5,497,1 | KUK (Uperating Income / Kate Base) | | |
| | Return on Equity (ROE) | | |
| Debt Interest (Rate Rase * Weighted Cost of Debt) | Net Operating Income | (5,497,119) | (5,497,119) |
| Debt interest (nate base Weighted Cost of Debt) | Debt Interest (Rate Base * Weighted Cost of Debt) | | |
| Earnings Available for Common (5,497,119) (5,497,1 | Earnings Available for Common | (5,497,119) | (5,497,119) |

SD Decommissioning

| NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT | Dec - 2021 | |
|---|------------------|------------------|
| | Total | SD Electric |
| Equity Rate Base (Rate Base * Equity Ratio) | - | <u>-</u> |
| ROE (earnings for Common / Equity) | | |
| | | |
| Revenue Deficiency | | |
| Required Operating Income (Rate Base * Required Return) | | |
| Net Operating Income | (5,497,119) | (5,497,119) |
| Operating Income Deficiency | 5,497,119 | 5,497,119 |
| | | |
| Revenue Conversion Factor (1/(1Composite Tax Rate)) | 1.265823 | 1.265823 |
| Revenue Deficiency (Income Deficiency * Conversion Factor) | 6,958,378 | 6,958,378 |
| | | |
| Total Revenue Requirements | | |
| Total Retail Revenues | | |
| Revenue Deficiency | <u>6,958,378</u> | <u>6,958,378</u> |
| Total Revenue Requirements | 6,958,378 | 6,958,378 |