

Northern States Power Company
State of SD Electric
Depreciation Study TDG 2021 Test Year

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT	Dec - 2021		
	Total	SD Electric	Other
<u>Composite Income Tax Rate</u>			
State Tax Rate			
Federal Statutory Tax Rate	21.00%	21.00%	21.00%
<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Composite Tax Rate	21.00%	21.00%	21.00%
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
<u>Weighted Cost of Capital</u>			
Active Rates and Ratios Version	Proposed	Proposed	Proposed
Cost of Short Term Debt			
Cost of Long Term Debt	4.15%	4.15%	4.15%
Cost of Common Equity	10.75%	10.75%	10.75%
Ratio of Short Term Debt			
Ratio of Long Term Debt	46.99%	46.99%	46.99%
Ratio of Common Equity	53.01%	53.01%	53.01%
Weighted Cost of STD			
Weighted Cost of LTD	1.95%	1.95%	1.95%
Weighted Cost of Debt	1.95%	1.95%	1.95%
<u>Weighted Cost of Equity</u>	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
Required Rate of Return	7.65%	7.65%	7.65%
<u>Rate Base</u>			
Plant Investment			
<u>Depreciation Reserve</u>	<u>(5,282,696)</u>	<u>821,457</u>	<u>(6,104,153)</u>
Net Utility Plant	5,282,696	(821,457)	6,104,153
CWIP			
Accumulated Deferred Taxes	1,559,722	(272,057)	1,831,779
DTA - NOL Average Balance			
DTA - Federal Tax Credit Average Balance	-	-	-
Total Accum Deferred Taxes	1,559,722	(272,057)	1,831,779
Cash Working Capital			
Materials and Supplies			
Fuel Inventory			
Non-plant Assets and Liabilities			
Customer Advances			
Customer Deposits			
Prepays and Other			
<u>Regulatory Amortizations</u>	-	-	-
Total Other Rate Base Items			
Total Rate Base	3,722,973	(549,400)	4,272,374
<u>Operating Revenues</u>			
Retail			
Interdepartmental			
<u>Other Operating Rev - Non-Retail</u>	<u>1,788,382</u>	<u>120,727</u>	<u>1,667,655</u>
Total Operating Revenues	1,788,382	120,727	1,667,655
<u>Expenses</u>			
Operating Expenses:			
Fuel			
Deferred Fuel			
Variable IA Production Fuel			
<u>Purchased Energy - Windsourc</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Fuel & Purchased Energy Total			
Production - Fixed			
Production - Fixed IA Investment			
Production - Fixed IA O&M			
Production - Variable			
Production - Variable IA O&M			
<u>Production - Purchased Demand</u>	<u>0</u>	<u>0</u>	<u>0</u>
Production Total			
Regional Markets			
Transmission IA			
Transmission			
Distribution			
Customer Accounting			
Customer Service & Information			
Sales, Econ Dvlp & Other			
<u>Administrative & General</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenses			
Depreciation	(5,282,696)	821,457	(6,104,153)
Amortization			
Taxes:			
Property Taxes			
ITC Amortization			
Deferred Taxes	1,559,722	(272,057)	1,831,779
Deferred Taxes - NOL			
Less State Tax Credits deferred			
Less Federal Tax Credits deferred			
Deferred Income Tax & ITC	1,559,722	(272,057)	1,831,779
Payroll & Other Taxes			
Total Taxes Other Than Income	1,559,722	(272,057)	1,831,779
Income Before Taxes			
Total Operating Revenues	1,788,382	120,727	1,667,655
less: Total Operating Expenses			
Book Depreciation	(5,282,696)	821,457	(6,104,153)
Amortization			
<u>Taxes Other than Income</u>	<u>1,559,722</u>	<u>(272,057)</u>	<u>1,831,779</u>
Total Before Tax Book Income	5,511,355	(428,674)	5,940,029
Tax Additions			
Book Depreciation	(5,282,696)	821,457	(6,104,153)
Deferred Income Taxes and ITC	1,559,722	(272,057)	1,831,779
Nuclear Fuel Burn (ex. D&D)			
Nuclear Outage Accounting			
Avoided Tax Interest			
<u>Other Book Additions</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Additions	(3,722,973)	549,400	(4,272,374)
Tax Deductions			
Total Rate Base	3,722,973	(549,400)	4,272,374
Weighted Cost of Debt	<u>1.95%</u>	<u>1.95%</u>	<u>1.95%</u>
Debt Interest Expense	72,598	(10,713)	83,311
Nuclear Outage Accounting			
Tax Depreciation and Removals			
NOL Utilized / (Generated)			

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	Total	SD Electric	Other
<u>Other Tax / Book Timing Differences</u>	0	0	0
Total Tax Deductions	72,598	(10,713)	83,311
State Taxes			
State Taxable Income	1,715,784	131,440	1,584,344
State Income Tax Rate	-	-	-
State Taxes before Credits	-	-	-
<u>Less State Tax Credits applied</u>	-	-	-
Total State Income Taxes			
Federal Taxes			
Federal Sec 199 Production Deduction			
Federal Taxable Income	1,715,784	131,440	1,584,344
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Federal Tax before Credits	360,315	27,602	332,712
<u>Less Federal Tax Credits</u>	-	-	-
Total Federal Income Taxes	360,315	27,602	332,712
Total Taxes			
Total Taxes Other than Income	1,559,722	(272,057)	1,831,779
Total Federal and State Income Taxes	360,315	27,602	332,712
Total Taxes	1,920,037	(244,454)	2,164,491
Total Operating Revenues	1,788,382	120,727	1,667,655
Total Expenses	(3,362,659)	577,003	(3,939,662)
AFDC Debt			
AFDC Equity			
Net Income	5,151,041	(456,276)	5,607,317
Rate of Return (ROR)			
Total Operating Income	5,151,041	(456,276)	5,607,317
<u>Total Rate Base</u>	<u>3,722,973</u>	<u>(549,400)</u>	<u>4,272,374</u>
ROR (Operating Income / Rate Base)	138.36%	83.05%	131.25%
Return on Equity (ROE)			
Net Operating Income	5,151,041	(456,276)	5,607,317
Debt Interest (Rate Base * Weighted Cost of Debt)	(72,598)	10,713	(83,311)
Earnings Available for Common	5,078,443	(445,563)	5,524,006
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>1,973,548</u>	<u>(291,237)</u>	<u>2,264,785</u>
ROE (earnings for Common / Equity)	257.33%	152.99%	243.91%
Revenue Deficiency			
Required Operating Income (Rate Base * Required Return)	284,807	(42,029)	326,837
<u>Net Operating Income</u>	<u>5,151,041</u>	<u>(456,276)</u>	<u>5,607,317</u>
Operating Income Deficiency	(4,866,233)	414,247	(5,280,480)
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
Revenue Deficiency (Income Deficiency * Conversion Factor)	(6,159,789)	524,363	(6,684,152)
Total Revenue Requirements			
Total Retail Revenues			
<u>Revenue Deficiency</u>	<u>(6,159,789)</u>	<u>524,363</u>	<u>(6,684,152)</u>
Total Revenue Requirements	(6,159,789)	524,363	(6,684,152)