

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

Reporting Line	Record Type	Functional Class	Total	SD Electric	Other
			Dec - 2021	Dec - 2021	Dec - 2021
Depreciation Reserve	NSPM-SD Depreciation Study Prod	Electric Hydro Production Plant	(41,318)	(2,789)	(38,529)
Depreciation Reserve	NSPM-SD Depreciation Study Prod	Electric Other Production Plant	(11,025,863)	(733,008)	(10,292,855)
Depreciation Reserve	NSPM-SD Depreciation Study Prod	Electric Steam Production Plant	58,383,687	3,941,249	54,442,438
Depreciation Reserve		Subtotal Depreciation Reserve	47,316,506	3,205,452	44,111,054
Accumulated Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Hydro Production Plant	11,546	779	10,767
Accumulated Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Other Production Plant	3,182,509	211,585	2,970,924
Accumulated Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Steam Production Plant	(395,904)	(26,726)	(369,178)
Accumulated Deferred Taxes		Subtotal Accumulated Deferred Taxes	2,798,151	185,638	2,612,513
Depreciation	NSPM-SD Depreciation Study Prod	Electric Hydro Production Plant	(41,318)	(2,789)	(38,529)
Depreciation	NSPM-SD Depreciation Study Prod	Electric Other Production Plant	(11,025,863)	(733,008)	(10,292,855)
Depreciation	NSPM-SD Depreciation Study Prod	Electric Steam Production Plant	1,819,645	122,837	1,696,808
Depreciation		Subtotal Depreciation	(9,247,536)	(612,960)	(8,634,576)
Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Hydro Production Plant	11,546	779	10,767
Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Other Production Plant	3,182,509	211,585	2,970,924
Deferred Taxes	NSPM-SD Depreciation Study Prod	Electric Steam Production Plant	(395,904)	(26,726)	(369,178)
Deferred Taxes		Subtotal Deferred Taxes	2,798,151	185,638	2,612,513

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>47,316,506</u>	<u>3,205,452</u>	<u>44,111,054</u>
Net Utility Plant	(47,316,506)	(3,205,452)	(44,111,054)
CWIP			
Accumulated Deferred Taxes	2,798,151	185,638	2,612,513
DTA - NOL Average Balance			
DTA - Federal Tax Credit Average Balance	-	-	-
Total Accum Deferred Taxes	2,798,151	185,638	2,612,513
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	(50,114,657)	(3,391,090)	(46,723,567)
<u>Operating Revenues</u>			
Retail			
Interdepartmental			
<u>Other Operating Rev - Non-Retail</u>	<u>96,364</u>	<u>6,505</u>	<u>89,858</u>
Total Operating Revenues	96,364	6,505	89,858
<u>Expenses</u>			
Operating Expenses:			
Fuel			
Deferred Fuel			
Variable IA Production Fuel			
<u>Purchased Energy - Windsource</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fuel & Purchased Energy Total			

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT	Dec - 2021		
	Total	SD Electric	Other
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	(9,247,536)	(612,960)	(8,634,576)
Amortization			
Taxes:			
Property Taxes			
ITC Amortization			
Deferred Taxes	2,798,151	185,638	2,612,513
Deferred Taxes - NOL			
Less State Tax Credits deferred			
Less Federal Tax Credits deferred			
Deferred Income Tax & ITC	2,798,151	185,638	2,612,513
Payroll & Other Taxes			
Total Taxes Other Than Income	2,798,151	185,638	2,612,513
Income Before Taxes			
Total Operating Revenues	96,364	6,505	89,858
less: Total Operating Expenses			
Book Depreciation	(9,247,536)	(612,960)	(8,634,576)
Amortization			
<u>Taxes Other than Income</u>	<u>2,798,151</u>	<u>185,638</u>	<u>2,612,513</u>
Total Before Tax Book Income	6,545,748	433,827	6,111,921
Tax Additions			
Book Depreciation	(9,247,536)	(612,960)	(8,634,576)
Deferred Income Taxes and ITC	2,798,151	185,638	2,612,513
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	(6,449,385)	(427,322)	(6,022,063)
Tax Deductions			
Total Rate Base	(50,114,657)	(3,391,090)	(46,723,567)
Weighted Cost of Debt	<u>1.95%</u>	<u>1.95%</u>	<u>1.95%</u>
Debt Interest Expense	(977,236)	(66,126)	(911,110)
Nuclear Outage Accounting			
Tax Depreciation and Removals			
NOL Utilized / (Generated)			
<u>Other Tax / Book Timing Differences</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Tax Deductions	(977,236)	(66,126)	(911,110)

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT	Dec - 2021		
	Total	SD Electric	Other
State Taxes			
State Taxable Income	1,073,599	72,631	1,000,968
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	1,073,599	72,631	1,000,968
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Federal Tax before Credits	225,456	15,253	210,203
<u>Less Federal Tax Credits</u>	-	-	-
Total Federal Income Taxes	225,456	15,253	210,203
Total Taxes			
Total Taxes Other than Income	2,798,151	185,638	2,612,513
Total Federal and State Income Taxes	225,456	15,253	210,203
Total Taxes	3,023,607	200,891	2,822,716
Total Operating Revenues	96,364	6,505	89,858
Total Expenses	(6,223,929)	(412,069)	(5,811,860)
AFDC Debt			
AFDC Equity			
Net Income	6,320,292	418,574	5,901,718
Rate of Return (ROR)			
Total Operating Income	6,320,292	418,574	5,901,718
<u>Total Rate Base</u>	<u>(50,114,657)</u>	<u>(3,391,090)</u>	<u>(46,723,567)</u>
ROR (Operating Income / Rate Base)	(12.61%)	(12.34%)	(12.63%)
Return on Equity (ROE)			
Net Operating Income	6,320,292	418,574	5,901,718
Debt Interest (Rate Base * Weighted Cost of Debt)	977,236	66,126	911,110
Earnings Available for Common	7,297,528	484,701	6,812,827
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>(26,565,780)</u>	<u>(1,797,617)</u>	<u>(24,768,163)</u>
ROE (earnings for Common / Equity)	(27.47%)	(26.96%)	(27.51%)
Revenue Deficiency			
Required Operating Income (Rate Base * Required Return)	(3,833,771)	(259,418)	(3,574,353)
<u>Net Operating Income</u>	<u>6,320,292</u>	<u>418,574</u>	<u>5,901,718</u>
Operating Income Deficiency	(10,154,064)	(677,993)	(9,476,071)
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
Revenue Deficiency (Income Deficiency * Conversion Factor)	(12,853,245)	(858,219)	(11,995,026)
Total Revenue Requirements			
Total Retail Revenues			
<u>Revenue Deficiency</u>	<u>(12,853,245)</u>	<u>(858,219)</u>	<u>(11,995,026)</u>
Total Revenue Requirements	(12,853,245)	(858,219)	(11,995,026)