

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

Composite Income Tax Rate

State Tax Rate		
Federal Statutory Tax Rate	21.00%	21.00%
<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>
Composite Tax Rate	21.00%	21.00%
Revenue Conversion Factor (1/(1--Composite 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%
<u>Weighted Cost of Equity</u>	<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	-	-
Total Accum Deferred Taxes		
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

Operating Revenues

Retail		
Interdepartmental		
<u>Other Operating Rev - Non-Retail</u>	-	-
Total Operating Revenues		

Expenses

Operating Expenses:		
Fuel		
Deferred Fuel		
Variable IA Production Fuel		
<u>Purchased Energy - Windsource</u>	0	0
Fuel & Purchased Energy Total		

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Production - Fixed		
Production - Fixed IA Investment		
Production - Fixed IA O&M		
Production - Variable		
Production - Variable IA O&M		
<u>Production - Purchased Demand</u>	0	0
Production Total		
Regional Markets		
Transmission IA		
Transmission		
Distribution		
Customer Accounting		
Customer Service & Information		
Sales, Econ Dvlp & Other		
<u>Administrative & General</u>	0	0
Total Operating Expenses		
Depreciation	3,164,059	3,164,059
Amortization		
Taxes:		
Property Taxes		
ITC Amortization		
Deferred Taxes	(806,913)	(806,913)
Deferred Taxes - NOL		
Less State Tax Credits deferred		
Less Federal Tax Credits deferred		
Deferred Income Tax & ITC	(806,913)	(806,913)
Payroll & Other Taxes		
Total Taxes Other Than Income	(806,913)	(806,913)
Income Before Taxes		
Total Operating Revenues		
less: Total Operating Expenses		
Book Depreciation	3,164,059	3,164,059
Amortization		
<u>Taxes Other than Income</u>	<u>(806,913)</u>	<u>(806,913)</u>
Total Before Tax Book Income	(2,357,146)	(2,357,146)
Tax Additions		
Book Depreciation	3,164,059	3,164,059
Deferred Income Taxes and ITC	(806,913)	(806,913)
Nuclear Fuel Burn (ex. D&D)		
Nuclear Outage Accounting		
Avoided Tax Interest	(98,636)	(98,636)
<u>Other Book Additions</u>	-	-
Total Tax Additions	2,258,510	2,258,510
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	(0)	(0)
NOL Utilized / (Generated)		
<u>Other Tax / Book Timing Differences</u>	0	0
Total Tax Deductions	(0)	(0)

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State Taxes

State Taxable Income	(98,636)	(98,636)
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	(98,636)	(98,636)
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>
Federal Tax before Credits	(20,713)	(20,713)
<u>Less Federal Tax Credits</u>	-	-
Total Federal Income Taxes	(20,713)	(20,713)

Total Taxes

Total Taxes Other than Income	(806,913)	(806,913)
Total Federal and State Income Taxes	(20,713)	(20,713)
Total Taxes	(827,627)	(827,627)

Total Operating Revenues

Total Expenses	2,336,432	2,336,432
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AFDC Debt

AFDC Equity

Net Income	(2,336,432)	(2,336,432)
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Rate of Return (ROR)

Total Operating Income	(2,336,432)	(2,336,432)
<u>Total Rate Base</u>	-	-
ROR (Operating Income / Rate Base)		

Return on Equity (ROE)

Net Operating Income	(2,336,432)	(2,336,432)
Debt Interest (Rate Base * Weighted Cost of Debt)		
Earnings Available for Common	(2,336,432)	(2,336,432)
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-	-
ROE (earnings for Common / Equity)		

Revenue Deficiency

Required Operating Income (Rate Base * Required Return)		
<u>Net Operating Income</u>	(2,336,432)	(2,336,432)
Operating Income Deficiency	2,336,432	2,336,432
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823
Revenue Deficiency (Income Deficiency * Conversion Factor)	2,957,509	2,957,509

Total Revenue Requirements

Total Retail Revenues		
<u>Revenue Deficiency</u>	<u>2,957,509</u>	<u>2,957,509</u>
Total Revenue Requirements	2,957,509	2,957,509