

**Northern States Power Company  
South Dakota Electric Jurisdiction  
2021 Historic Test Year**

Interest on Customer Deposits

Customer deposits are treated as customer-supplied capital; thus it is appropriate to include interest expense on customer deposits to pay a return on that investment. The average balance of customer deposits are deducted from rate base and at the same time operating expenses are increased to permit the recovery of interest paid on these deposits.

**Northern States Power Company**  
**South Dakota Electric Jurisdiction**  
**2021 Actual Interest on Customer Deposits**

Interest on Customer Deposits

**O&M Adjustment**  
 12 Month Calendar Year ending June 2021  
 IO 200000003681  
 Cost Elements 6060046 and 4280463

	Total NSPM	NSPM Electric	MN Electric	ND Electric	SD Electric	NSPM Gas	MN Gas	ND Gas
Total Interest on Customer Deposits check	\$ 2,323	\$ 1,719	\$ 1,500	\$ 107	\$ 111	\$ 604	\$ 535	\$ 69
Utility Allocator - Customers		74.00%				26.00%		
Jurisdiction Allocator - Customers		100.00%	87.30%	6.23%	6.47%	100.00%	88.65%	11.35%

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**Interest on Customer Deposits**

Line No.	MEP - Record Type Validation	NSPM SD Electric Retail
		Dec - 2021
1	<b>Expenses</b>	
2	Operating Expenses:	
3	Fuel & Purchased Energy Total	
4	Production Total	
5	Regional Markets	
6	Transmission IA	
7	Transmission	
8	Distribution	
9	Customer Accounting	
10	Customer Service & Information	
11	Sales, Econ Dvlp & Other	
12	<u>Administrative &amp; General</u>	<u>111</u>
13	<b>Total Operating Expenses</b>	<b>111</b>
14		
15	<b>Total Taxes</b>	
16	Total Taxes Other than Income	
17	Total Federal and State Income Taxes	(27)
18	<b>Total Taxes</b>	<b>(27)</b>
19		
20	<b>Total Operating Revenues</b>	
21	<b>Total Expenses</b>	<b>84</b>
22		
23	AFDC Debt	
24	AFDC Equity	
25		
26	<b>Net Income</b>	<b>(84)</b>
27		
28	<b>Rate of Return (ROR)</b>	
29	Total Operating Income	(84)
30	Total Rate Base	-
31	<b>ROR (Operating Income / Rate Base)</b>	
32		
33	<b>Return on Equity (ROE)</b>	
34	Net Operating Income	(84)
35	Debt Interest (Rate Base * Weighted Cost of Debt)	
36	Earnings Available for Common	(84)
37	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-
38	<b>ROE (earnings for Common / Equity)</b>	
39		
40	<b>Revenue Deficiency</b>	
41	Required Operating Income (Rate Base * Required Return)	
42	<u>Net Operating Income</u>	<u>(84)</u>
43	<b>Operating Income Deficiency</b>	<b>84</b>
44		
45	Revenue Conversion Factor (1/(1-Composite Tax Rate))	1.322837
46	<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>111</b>
47		
48	<b>Total Revenue Requirements</b>	
49	Total Retail Revenues	
50	<u>Revenue Deficiency</u>	<u>111</u>
51	Total Revenue Requirements	111