

Northern States Power Company
 South Dakota Electric Jurisdiction
 State Credit Rate Change

NSPM SD Electric Retail				
	Reg Liability Beg Balance	Amortization	Reg Liability End Balance	13 Month Average
2021	(12,412)		(12,412)	(12,412)
2022	(12,412)	(4,137)	(8,275)	(10,343)
2023	(8,275)	(4,137)	(4,137)	(6,206)
2024	(4,137)	(4,137)		(2,069)

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

State Credit Rate Change

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

Weighted Cost of Capital

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%

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>	<u>(353,402)</u>	<u>(12,412)</u>	<u>(340,990)</u>
Total Other Rate Base Items	(353,402)	(12,412)	(340,990)
Total Rate Base	(353,402)	(12,412)	(340,990)

Operating Revenues

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

Expenses

Operating Expenses:

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT	Dec - 2021		
	Total	SD Electric	Other
Fuel			
Deferred Fuel			
Variable IA Production Fuel			
<u>Purchased Energy - Windsource</u>	0	0	0
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>	0	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	0
Total Operating Expenses			
Depreciation			
Amortization			
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			
Amortization			
<u>Taxes Other than Income</u>	-	-	-
Total Before Tax Book Income			
Tax Additions			
Book Depreciation			
Deferred Income Taxes and ITC			
Nuclear Fuel Burn (ex. D&D)			
Nuclear Outage Accounting			
Avoided Tax Interest			
<u>Other Book Additions</u>	-	-	-
Total Tax Additions			

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

Tax Deductions

Total Rate Base	(353,402)	(12,412)	(340,990)
Weighted Cost of Debt	<u>1.95%</u>	<u>1.95%</u>	<u>1.95%</u>
Debt Interest Expense	(6,891)	(242)	(6,649)
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	(6,891)	(242)	(6,649)

State Taxes

State Taxable Income	6,891	242	6,649
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	6,891	242	6,649
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
Federal Tax before Credits	1,447	51	1,396
<u>Less Federal Tax Credits</u>	-	-	-
Total Federal Income Taxes	1,447	51	1,396

Total Taxes

Total Taxes Other than Income			
Total Federal and State Income Taxes	1,447	51	1,396
Total Taxes	1,447	51	1,396

Total Operating Revenues

Total Expenses	1,447	51	1,396
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AFDC Debt

AFDC Equity

Net Income	(1,447)	(51)	(1,396)
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Rate of Return (ROR)

Total Operating Income	(1,447)	(51)	(1,396)
<u>Total Rate Base</u>	<u>(353,402)</u>	<u>(12,412)</u>	<u>(340,990)</u>
ROR (Operating Income / Rate Base)	0.41%	0.41%	0.41%

Return on Equity (ROE)

Net Operating Income	(1,447)	(51)	(1,396)
Debt Interest (Rate Base * Weighted Cost of Debt)	6,891	242	6,649
Earnings Available for Common	5,444	191	5,253
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>(187,338)</u>	<u>(6,580)</u>	<u>(180,759)</u>
ROE (earnings for Common / Equity)	(5.81%)	(2.91%)	(2.91%)

NSPM - 00 Complete Revenue Requirements by Jurisdiction, Yr 1 - DRAFT	Dec - 2021		
	Total	SD Electric	Other
Revenue Deficiency			
Required Operating Income (Rate Base * Required Return)	(27,035)	(950)	(26,086)
Net Operating Income	(1,447)	(51)	(1,396)
Operating Income Deficiency	(25,588)	(899)	(24,689)
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
Revenue Deficiency (Income Deficiency * Conversion Factor)	(32,390)	(1,138)	(31,252)

Total Revenue Requirements

Total Retail Revenues			
<u>Revenue Deficiency</u>	<u>(32,390)</u>	<u>(1,138)</u>	<u>(31,252)</u>
Total Revenue Requirements	(32,390)	(1,138)	(31,252)