

Connect Smart Revenue Upload

The purpose of this upload is to bring the most recent Connect Smart revenue from Actuals and use the actual data to the forecast into our 5 retail models. The forecast portion of our upload is calculated by using actuals and spreading that amount by customer jurisdictional allocation. See the Adjustment tab. The budget does not forecast Connect Smart, thus we use actual data and allocate this to all jurisdictions in the forecast periods.

All Connect Smart revenue - actual or forecast- uses the record type **NSPM-Connect Smart**

BO Query results:

Notes:

Note 1 : During a budget, we include Connect Smart revenue in all 5 jurisdictions Data is only obtained from actuals and then allocated into the forecast years by a customer allocation

A Does adjustment upload total company amounts (i.e. RIS performs allocation) or do we manually allocate in this file? (highlight one):

Total Company Manual

If Manual, please document why, or else consider using RIS to allocate:

The retail revenue is direct assigned from our sources and direct assigned in the upload.

B Is this a precedential adjustment? (highlight one)

Yes No

If Yes, please cite the order/decision where it became precedent. Include any helpful screenshots to the right --->

N/A

C Is this a rider removal? (highlight one)

Yes No

If yes, provide link to the relevant process document:

Link: N/A

D General Considerations

1. Always consider if the process could be simplified. Some examples include working with data providers to provide a more summarized file to us, or for BO queries, filtering out unneeded information.
2. Remove or hide tabs not being used so reviewers don't waste time trying to figure out how it's being used.
3. If this is a recurring adjustment and we're deviating from it's been done in past years, document on this tab as a Note.

Northern States Power Company
2021 Actuals Connect Smart
Adjustment to Other Electric Operating Revenues
FERC account FERC 456

2021 Actual

Expense

463073 MKT ConnectSmart MN Co	NSPM NonReg Exp-Sherco LPI	417.1	Exp from Non-Utility	Non-Utility	0
463073 MKT ConnectSmart MN Co	NSPM NonReg Exp-Sherco LPI	417.1	Exp from Non-Utility	Non-Utility	<u>0</u>
					0

Revenues

ConnectSmart MN Co	Revenues from CFM	417	Rev from Non-Utility	Non-Utility	14,396
MKT InfoWise GX Meter MN	Revenues from CFM	417	Rev from Non-Utility	Non-Utility	0
Power Solutions NSP MN	Revenues from CFM	417	Rev from Non-Utility	Non-Utility	<u>0</u>
					14,396

2021 Actuals
 Spread Connect Smart Margin amount to all Jurisdictions
 Based on Customers

	Customers	Percentage	
MN State Electric	1,329,385	64.60%	\$ 9,300.13
ND State Electric	94,869	4.61%	\$ 663.69
SD State Electric	98,490	4.79%	\$ 689.02
MN State Gas	474,354	23.05%	\$ 3,318.49
ND State Gas	60,711	2.95%	\$ 424.72
Total	2,057,809	100.00%	

Northern States Power Company
 Connect Smart Revenue
 2021 South Dakota

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
1	<u>Composite Income Tax Rate</u>		
2	State Tax Rate	49.00%	9.80%
3	Federal Statutory Tax Rate	105.00%	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>94.71%</u>	<u>18.94%</u>
5	Composite Tax Rate	143.71%	28.74%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	7.016756	1.403351
7			
8	<u>Weighted Cost of Capital</u>		
9	Active Rates and Ratios Version	#VALUE!	Proposed
10	Cost of Short Term Debt	8.60%	1.72%
11	Cost of Long Term Debt	20.70%	4.14%
12	Cost of Common Equity	45.30%	9.06%
13	Ratio of Short Term Debt	0.50%	0.10%
14	Ratio of Long Term Debt	235.75%	47.15%
15	Ratio of Common Equity	263.75%	52.75%
16	Weighted Cost of STD		
17	Weighted Cost of LTD	9.75%	1.95%
18	Weighted Cost of Debt	9.75%	1.95%
19	<u>Weighted Cost of Equity</u>	<u>23.90%</u>	<u>4.78%</u>
20	Required Rate of Return	33.65%	6.73%
21			
22	<u>Rate Base</u>		
23	Plant Investment		
24	<u>Depreciation Reserve</u>	-	-
25	Net Utility Plant		
26	CWIP		
27			
28	Accumulated Deferred Taxes		
29	DTA - NOL Average Balance		
30	DTA - Federal Tax Credit Average Balance	-	-
31	Total Accum Deferred Taxes		
32			
33	Cash Working Capital		
34	Materials and Supplies		
35	Fuel Inventory		
36	Non-plant Assets and Liabilities		
37	Customer Advances		
38	Customer Deposits		
39	Prepays and Other		
40	<u>Regulatory Amortizations</u>	-	-
41	Total Other Rate Base Items		
42			
43	Total Rate Base		
44			
45	<u>Operating Revenues</u>		
46	Retail		
47	Interdepartmental		
48	<u>Other Operating Rev - Non-Retail</u>	<u>14,396</u>	<u>689</u>
49	Total Operating Revenues	14,396	689
50			
51	<u>Expenses</u>		

Northern States Power Company
Connect Smart Revenue
2021 South Dakota

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
52	Operating Expenses:		
53	Fuel		
54	Deferred Fuel		
55	Variable IA Production Fuel		
56	<u>Purchased Energy - Windsource</u>	0	0
57	Fuel & Purchased Energy Total		
58	Production - Fixed		
59	Production - Fixed IA Investment		
60	Production - Fixed IA O&M		
61	Production - Variable		
62	Production - Variable IA O&M		
63	<u>Production - Purchased Demand</u>	0	0
64	Production Total		
65	Regional Markets		
66	Transmission IA		
67	Transmission		
68	Distribution		
69	Customer Accounting		
70	Customer Service & Information		
71	Sales, Econ Dvlp & Other		
72	<u>Administrative & General</u>	0	0
73	Total Operating Expenses		
74			
75	Depreciation		
76	Amortization		
77			
78	<u>Taxes:</u>		
79	Property Taxes		
80	ITC Amortization		
81	Deferred Taxes		
82	Deferred Taxes - NOL		
83	Less State Tax Credits deferred		
84	Less Federal Tax Credits deferred		
85	Deferred Income Tax & ITC		
86	Payroll & Other Taxes		
87	Total Taxes Other Than Income		
88			
89	<u>Income Before Taxes</u>		
90	Total Operating Revenues	14,396	689
91	less: Total Operating Expenses		
92	Book Depreciation		
93	Amortization		
94	<u>Taxes Other than Income</u>	-	-
95	Total Before Tax Book Income	14,396	689
96			
97	<u>Tax Additions</u>		
98	Book Depreciation		
99	Deferred Income Taxes and ITC		
100	Nuclear Fuel Burn (ex. D&D)		
101	Nuclear Outage Accounting		
102	Avoided Tax Interest		

Northern States Power Company
 Connect Smart Revenue
 2021 South Dakota

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
103	<u>Other Book Additions</u>	-	-
104	Total Tax Additions		
105			
106	<u>Tax Deductions</u>		
107	Total Rate Base		
108	Weighted Cost of Debt	<u>9.75%</u>	<u>1.95%</u>
109	Debt Interest Expense		
110	Nuclear Outage Accounting		
111	Tax Depreciation and Removals		
112	NOL Utilized / (Generated)		
113	<u>Other Tax / Book Timing Differences</u>	<u>0</u>	<u>0</u>
114	Total Tax Deductions		
115			
116	<u>State Taxes</u>		
117	State Taxable Income	14,396	689
118	State Income Tax Rate	<u>49.00%</u>	<u>9.80%</u>
119	State Taxes before Credits	1,411	68
120	<u>Less State Tax Credits applied</u>	-	-
121	Total State Income Taxes	1,411	68
122			
123	<u>Federal Taxes</u>		
124	Federal Sec 199 Production Deduction		
125	Federal Taxable Income	12,985	621
126	Federal Income Tax Rate	<u>105.00%</u>	<u>21.00%</u>
127	Federal Tax before Credits	2,727	131
128	<u>Less Federal Tax Credits</u>	-	-
129	Total Federal Income Taxes	2,727	131
130			
131	Total Taxes		
132	Total Taxes Other than Income		
133	Total Federal and State Income Taxes	4,138	198
134	Total Taxes	4,138	198
135			
136	Total Operating Revenues	14,396	689
137	Total Expenses	4,138	198
138			
139	AFDC Debt		
140	AFDC Equity		
141			
142	Net Income	10,258	491
143			
144	<u>Rate of Return (ROR)</u>		
145	Total Operating Income	10,258	491
146	<u>Total Rate Base</u>	-	-
147	ROR (Operating Income / Rate Base)		
148			
149	<u>Return on Equity (ROE)</u>		
150	Net Operating Income	10,258	491
151	Debt Interest (Rate Base * Weighted Cost of Debt)		
152	Earnings Available for Common	10,258	491
153	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-	-

Northern States Power Company
 Connect Smart Revenue
 2021 South Dakota

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
154	ROE (earnings for Common / Equity)		
155			
156	<u>Revenue Deficiency</u>		
157	Required Operating Income (Rate Base * Required Return)		
158	<u>Net Operating Income</u>	10,258	491
159	Operating Income Deficiency	(10,258)	(491)
160			
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	7.016756	1.403351
162	<u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u>	(14,396)	(689)
163			
164	<u>Total Revenue Requirements</u>		
165	Total Retail Revenues		
166	<u>Revenue Deficiency</u>	(14,396)	(689)
167	Total Revenue Requirements	(14,396)	(689)
168			

Northern States Power Co - MN
Electric Utility Retail Revenue
2021 Actual Interchange Decommissioning Revenue Adj

Adjustment to Other Electric Operating Revenue to remove amount **-4,830,144**

	2021	MN Co	MN	ND	SD	WHSL
Interchange Decommissioning		-4,830,144	-4,200,448	-303,632	-326,064	0

Elec Demand Allocator	Total Co	MN	ND	SD	WHSL
2021 Actual WN	100.00%	86.9632%	6.2862%	6.7506%	0

**Northern States Power Company
 IA Decommissioning Revenue
 2021 South Dakota**

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
1	<u>Composite Income Tax Rate</u>		
2	State Tax Rate		
3	Federal Statutory Tax Rate	63.00%	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>63.00%</u>	<u>21.00%</u>
5	Composite Tax Rate	63.00%	21.00%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	3.797468	1.265823
7			
8	<u>Weighted Cost of Capital</u>		
9	Active Rates and Ratios Version	#VALUE!	Proposed
10	Cost of Short Term Debt		
11	Cost of Long Term Debt	12.46%	4.15%
12	Cost of Common Equity	32.25%	10.75%
13	Ratio of Short Term Debt		
14	Ratio of Long Term Debt	140.97%	46.99%
15	Ratio of Common Equity	159.03%	53.01%
16	Weighted Cost of STD		
17	Weighted Cost of LTD	5.85%	1.95%
18	Weighted Cost of Debt	5.85%	1.95%
19	<u>Weighted Cost of Equity</u>	<u>17.10%</u>	<u>5.70%</u>
20	Required Rate of Return	22.95%	7.65%
21			
22	<u>Rate Base</u>		
23	Plant Investment		
24	<u>Depreciation Reserve</u>	-	-
25	Net Utility Plant		
26	CWIP		
27			
28	Accumulated Deferred Taxes		
29	DTA - NOL Average Balance		
30	DTA - Federal Tax Credit Average Balance	=	=
31	Total Accum Deferred Taxes		
32			
33	Cash Working Capital		
34	Materials and Supplies		
35	Fuel Inventory		
36	Non-plant Assets and Liabilities		
37	Customer Advances		
38	Customer Deposits		
39	Prepays and Other		
40	<u>Regulatory Amortizations</u>	=	=
41	Total Other Rate Base Items		
42			
43	Total Rate Base		
44			
45	<u>Operating Revenues</u>		

**Northern States Power Company
 IA Decommissioning Revenue
 2021 South Dakota**

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
46	Retail		
47	Interdepartmental		
48	<u>Other Operating Rev - Non-Retail</u>	(4,830,149)	(326,064)
49	Total Operating Revenues	(4,830,149)	(326,064)
50			
51	<u>Expenses</u>		
52	Operating Expenses:		
53	Fuel		
54	Deferred Fuel		
55	Variable IA Production Fuel		
56	<u>Purchased Energy - Windsource</u>	0	0
57	Fuel & Purchased Energy Total		
58	Production - Fixed		
59	Production - Fixed IA Investment		
60	Production - Fixed IA O&M		
61	Production - Variable		
62	Production - Variable IA O&M		
63	<u>Production - Purchased Demand</u>	0	0
64	Production Total		
65	Regional Markets		
66	Transmission IA		
67	Transmission		
68	Distribution		
69	Customer Accounting		
70	Customer Service & Information		
71	Sales, Econ Dvlp & Other		
72	<u>Administrative & General</u>	0	0
73	Total Operating Expenses		
74			
75	Depreciation		
76	Amortization		
77			
78	<u>Taxes:</u>		
79	Property Taxes		
80	ITC Amortization		
81	Deferred Taxes		
82	Deferred Taxes - NOL		
83	Less State Tax Credits deferred		
84	Less Federal Tax Credits deferred		
85	Deferred Income Tax & ITC		
86	Payroll & Other Taxes		
87	Total Taxes Other Than Income		
88			
89	<u>Income Before Taxes</u>		
90	Total Operating Revenues	(4,830,149)	(326,064)

**Northern States Power Company
 IA Decommissioning Revenue
 2021 South Dakota**

Line No.	MEP - Record Type Validation	Total	NSPM SD Electric Retail
		HTY - 2021	HTY - 2021
91	less: Total Operating Expenses		
92	Book Depreciation		
93	Amortization		
94	<u>Taxes Other than Income</u>	-	-
95	Total Before Tax Book Income	(4,830,149)	(326,064)
96			
97	<u>Tax Additions</u>		
98	Book Depreciation		
99	Deferred Income Taxes and ITC		
100	Nuclear Fuel Burn (ex. D&D)		
101	Nuclear Outage Accounting		
102	Avoided Tax Interest		
103	<u>Other Book Additions</u>	-	-
104	Total Tax Additions		
105			
106	<u>Tax Deductions</u>		
107	Total Rate Base		
108	Weighted Cost of Debt	<u>5.85%</u>	<u>1.95%</u>
109	Debt Interest Expense		
110	Nuclear Outage Accounting		
111	Tax Depreciation and Removals		
112	NOL Utilized / (Generated)		
113	<u>Other Tax / Book Timing Differences</u>	<u>0</u>	<u>0</u>
114	Total Tax Deductions		
115			
116	<u>State Taxes</u>		
117	State Taxable Income	(4,830,149)	(326,064)
118	State Income Tax Rate	-	-
119	State Taxes before Credits		
120	<u>Less State Tax Credits applied</u>	-	-
121	Total State Income Taxes		
122			
123	<u>Federal Taxes</u>		
124	Federal Sec 199 Production Deduction		
125	Federal Taxable Income	(4,830,149)	(326,064)
126	Federal Income Tax Rate	<u>63.00%</u>	<u>21.00%</u>
127	Federal Tax before Credits	(1,014,331)	(68,473)
128	<u>Less Federal Tax Credits</u>	-	-
129	Total Federal Income Taxes	(1,014,331)	(68,473)
130			
131	Total Taxes		
132	Total Taxes Other than Income		
133	Total Federal and State Income Taxes	(1,014,331)	(68,473)
134	Total Taxes	(1,014,331)	(68,473)
135			

Northern States Power Company
 IA Decommissioning Revenue
 2021 South Dakota

Line No.	MEP - Record Type Validation	Total	
		HTY - 2021	HTY - 2021
136	Total Operating Revenues	(4,830,149)	(326,064)
137	Total Expenses	(1,014,331)	(68,473)
138			
139	AFDC Debt		
140	AFDC Equity		
141			
142	Net Income	(3,815,818)	(257,591)
143			
144	<u>Rate of Return (ROR)</u>		
145	Total Operating Income	(3,815,818)	(257,591)
146	Total Rate Base	-	-
147	ROR (Operating Income / Rate Base)		
148			
149	<u>Return on Equity (ROE)</u>		
150	Net Operating Income	(3,815,818)	(257,591)
151	Debt Interest (Rate Base * Weighted Cost of Debt)		
152	Earnings Available for Common	(3,815,818)	(257,591)
153	Equity Rate Base (Rate Base * Equity Ratio)	-	-
154	ROE (earnings for Common / Equity)		
155			
156	<u>Revenue Deficiency</u>		
157	Required Operating Income (Rate Base * Required Return)		
158	Net Operating Income	(3,815,818)	(257,591)
159	Operating Income Deficiency	3,815,818	257,591
160			
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	3.797468	1.265823
162	Revenue Deficiency (Income Deficiency * Conversion Factor)	4,830,149	326,064
163			
164	<u>Total Revenue Requirements</u>		
165	Total Retail Revenues		
166	Revenue Deficiency	4,830,149	326,064
167	Total Revenue Requirements	4,830,149	326,064
168			