

Direct Testimony and Schedules
Laurie J. Wold

Before the South Dakota Public Utilities Commission
State of South Dakota

In the Matter of the Application of Northern States Power Company
for Authority to Increase Rates for Electric Service in South Dakota

Docket No. EL25-____
Exhibit____(LJW-1)

Overall Revenue Requirements
Rate Base
Income Statement

June 30, 2025

A. The general form for calculating the revenue requirement and revenue deficiency is as follows:

	Item	2024 Pro Forma Amount (\$000s)	Exhibit__ (LJW-1), Sch. 2 Reference
	Rate Base	\$947,135	Page 1, Line 44
multiplied by	Cost of capital	7.65%	Page 1, Line 20
	Operating Income Requirement	\$72,456	Page 4, Line 158
	Current Retail Revenue	\$247,154	Page 2, Line 47 + Line 48
plus	Current Other Revenue	\$63,895	Page 2, Line 49
equals	Current Total Revenue	\$311,049	Page 2, Line 50
minus	Operating Expenses	\$186,583	Page 2, Line 74
minus	Depreciation Expense	\$75,079	Page 2, Line 76
minus	Amortization Expense	\$3,490	Page 2, Line 77
minus	Taxes	\$8,298	Page 3, Line 135
plus	AFUDC		Page 4, Line 140 + Line 141
equals	Total Available for Return	\$37,598	Page 4, Line 143
	Operating Income Requirement	\$72,456	Page 4, Line 158
minus	Total Available for Return	\$37,598	Page 4, Line 143
equals	Income Deficiency	\$34,858	Page 4, Line 160
multiplied by	Gross Revenue Conversion Factor	1.265823	Page 4, Line 162
equals	Revenue Deficiency	\$44,123	Page 4, Line 163
plus	Current Retail Revenue	\$247,154	Page 4, Line 166
equals	Total Revenue Requirement	\$291,277	Page 4, Line 168

Q. WHAT IS THE AMOUNT OF THE JURISDICTIONAL REVENUE REQUIREMENT FOR SOUTH DAKOTA?

A. The jurisdictional total retail revenue requirement for South Dakota electric utility operations is \$333.2 million, based on the adjusted rate base (this adjustment is discussed in further detail in Section IV) and net operating income for the pro forma year, as adjusted for known and measurable changes occurring in 2025 and 2026, as appropriate for final rates that will go into effect January 1, 2026. The

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A. The general form for calculating the revenue requirement and revenue deficiency is as follows:

	Item	2024 Pro Forma Amount (\$000s)	Exhibit____ (LJW-1), Sch. 3 Reference
	Rate Base	\$1,239,313	Page 1, Line 45
multiplied by	Cost of capital	7.56%	Page 1, Line 20
	Operating Income Requirement	\$93,692	Page 4, Line 159
	Current Retail Revenue	\$289,622	Page 2, Line 48
plus	Current Other Revenue	\$55,416	Page 2, Line 50
equals	Current Total Revenue	\$345,038	Page 2, Line 51
minus	Operating Expenses	\$185,949	Page 2, Line 75
minus	Depreciation Expense	\$77,259	Page 2, Line 77
minus	Amortization Expense	\$3,149	Page 2, Line 78
minus	Taxes	\$19,399	Page 3, Line 136
plus	AFUDC		Page 3, Line 141 + Line 142
equals	Total Available for Return	\$59,282	Page 3, Line 144
	Operating Income Requirement	\$93,692	Page 4, Line 159
minus	Total Available for Return	\$59,282	Page 4, Line 143
equals	Income Deficiency	\$34,410	Page 4, Line 161
multiplied by	Gross Revenue Conversion Factor	1.265823	Page 4, Line 163
equals	Revenue Deficiency	\$43,557	Page 4, Line 164
plus	Current Retail Revenue	\$289,622	Page 4, Line 167
equals	Total Revenue Requirement	\$333,179	Page 4, Line 169

Q. WHAT IS THE AMOUNT OF THE JURISDICTIONAL REVENUE REQUIREMENT FOR SOUTH DAKOTA?

A. The jurisdictional total retail revenue requirement for South Dakota electric utility operations is \$333.2 million, based on the adjusted rate base (this adjustment is discussed in further detail in Section IV) and net operating income for the pro forma year, as adjusted for known and measurable changes occurring in 2025 and 2026, as appropriate for final rates that will go into effect January 1, 2026. The