

Section J

20:10:13:86. Statement J -- Depreciation expense. Statement J shall show for the test period depreciation expense by functional classification. These expenses shall be shown in separate columns as follows:

- (1) Expenses for the test period per books;
- (2) Claimed adjustments, if any, to actual expense;
- (3) Total adjusted expense claimed.

The bases, methods, essential computations and derivation of unit rates for the calculation of depreciation expense for the test period and for the depreciation adjustments shall be fully and clearly explained. The amounts of depreciable plant shall be shown by the functions specified in paragraph C of account 108, accumulated provisions for depreciation of plant in service of the FERC's uniform systems of accounts for public utilities and licensees or for gas companies and, if available, for each detailed plant account in the 300 series, together with the rates used in computing such expenses. Any deviation from the rates used in disposing of the utility's last previous rate filing or determination by this commission shall be explained, showing the rate or rates previously used together with supporting data for the new rate or rates used for this filing. Material required by § 20:10:13:87 shall be submitted as a part of statement J.

Schedule J-1: Expense charged other than prescribed depreciation. Schedule J-1 shall be included in support of statement J as a reconciliation of the aggregate investment in electric or gas plant shown in statement D, and the expense thereon charged in the first instance to other than prescribed depreciation expense accounts.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-7, 49-34A-10, 49-34A-12, 49-34A-41.

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1) a	Less: Charged to Other Accounts b	Net Depreciation Expense c = a + b	K & M, Rider & Other Depreciation Adjustments	Adjusted Depreciation Expense
Steam Production								
311	Structures & Improvements	\$ 303,322,568	*	13,494,703		13,494,703		
312	Boiler Plant Equipment	1,387,925,214	*	65,199,010		65,199,010		
314	Turbogenerator Units	279,786,079	*	16,119,647		16,119,647		
315	Accessory Electric Equipment	185,034,475	*	7,121,869		7,121,869		
316	Miscellaneous Power Plant Equipment	54,553,928	*	2,155,031		2,155,031		
		<u>\$ 2,210,622,264</u>		<u>104,090,260</u>		<u>104,090,260</u>		
	Good							
Steam Production Subtotal						104,090,260	126,801,804	230,892,063
Nuclear Production								
321	Structures & Improvements	\$ 668,542,995	*	19,982,394		19,982,394		
322	Reactor Plant Equipment	2,106,884,868	*	78,475,905		78,475,905		
323	Turbogenerator Units	722,202,155	*	28,612,151		28,612,151		
324	Accessory Electric Equipment	585,530,146	*	17,456,317		17,456,317		
325	Miscellaneous Power Plant Equipment	212,607,054	*	5,335,572		5,335,572		
		<u>\$ 4,295,767,218</u>		<u>149,862,338</u>		<u>149,862,338</u>	(92,854,855)	57,007,483
	Good							
Hydro Production								
331	Structures & Improvements	\$ 1,555,645	*	83,775		83,775		
332	Reservoirs, Dams & Waterways	11,369,294	*	652,383		652,383		
333	Water Wheels, Turbines & Generators	10,156,575	*	598,324		598,324		
334	Accessory Electric Equipment	3,290,379	*	187,984		187,984		
335	Miscellaneous Power Plant Equipment	134,000	*	8,891		8,891		
336	Road, Railroad & Bridge	185,193		19,188		19,188		
		<u>\$ 26,691,086</u>		<u>1,550,545</u>		<u>1,550,545</u>	(1,220,129)	330,416
	10336000-Hydro Prod Road, RR & Brdg	Good						
Decommissioning								
325	Nuclear Decommissioning MN Retail	\$ -	*	21,571,110		21,571,110		
325	Nuclear Decommissioning ND Retail	-	*	2,250,002		2,250,002		
325	Nuclear Decommissioning SD Retail	-	*	2,769,551		2,769,551		
325	Nuclear Decommissioning MN Whsle	-	*	0		-		
325	Nuclear Decommissioning WI Retail	-	*	9,300,587		9,300,587		
325	Nuclear Decommissioning WI Whsle	-	*	0		-		
		<u>\$ -</u>		<u>35,891,249</u>		<u>35,891,249</u>		
325	Less: Nuclear Decommissioning WI Retail & Whsle	-		9,300,587		9,300,587		
		<u>\$ -</u>		<u>26,590,662</u>		<u>26,590,662</u>	(1,051,226)	25,539,437
Other Production								
340.045	Wind Rights	\$ 17,448,523	0.00%	0		0		
340	Wind Land Own	1,663,009		424,976		424,976		
341	Structures & Improvements	507,497,455	*	14,916,273		14,916,273		
342	Fuel Holders, Producers & Accessories	30,904,646	*	1,110,720		1,110,720		
343	Other Production Movers	149,442,223		4,860,697		4,860,697		
344	Generators	4,323,727,554	*	170,004,428		170,004,428		
345	Accessory Electric Equipment	378,064,426	*	14,032,207		14,032,207		
346	Miscellaneous Power Plant Equipment	65,837,014	*	2,027,158		2,027,158		
348	Energy Storage Equipment	3,811,294	*	15,834		15,834		
		<u>\$ 5,478,396,144</u>		<u>207,392,294</u>		<u>207,392,294</u>		
	Good							
					Pre-Funded	(5,856,912)		
						201,535,382	5,192,271	206,727,653
Other Plant - Acquisition Adjustment								
114	Overhead Conductor & Devices	\$ 77,217,142	0.00%	- (3)		3,078,418		
Other Acquisition Adjustment Total		<u>\$ 77,217,142</u>		<u>-</u>		<u>3,078,418</u>	-	3,078,418

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1) a	Less: Charged to Other Accounts b	Net Depreciation Expense c = a + b	K & M, Rider & Other Depreciation Adjustments	Adjusted Depreciation Expense
		Good						
Other Production Subtotal						204,613,800		
Electric Production Subtotal		\$ 12,088,693,854		489,486,100		486,707,606		
Electric Production Total				Difference Between Financial View and SD Rules		(38,254,893)		448,452,712
Transmission								
352	Structures & Improvements	\$ 170,760,785	1.75%	2,991,613		2,991,613		
353	Station Equipment	1,629,442,541	2.16%	35,220,213		35,220,213		
354	Towers & Fixtures	127,812,412	2.04%	2,610,382		2,610,382		
355	Poles & Fixtures	1,746,652,474	2.59%	45,185,902		45,185,902		
356	Overhead Conductor & Devices	808,841,766	2.09%	16,888,840		16,888,840		
357	Underground Conduit	32,181,582	1.43%	459,230		459,230		
358	Underground Conductor & Devices	35,631,812	2.14%	760,878		760,878		
359	Road & Trails	3,806,789	1.57%	59,642		59,642		
Transmission Subtotal		\$ 4,555,130,161		104,176,701		104,176,701		
					Pre-Funded	(3,864,942)		
				Difference Between Financial View and SD Rules		(6,722,275)		
Transmission Total						93,589,484	9,846,148	103,435,632
Transmission Plant - Acquisition Adjustment								
114	Overhead Conductor & Devices	\$ 310,110	0.00%	- (3)		14,976		
Transmission Acquisition Adjustment Total		\$ 310,110		-		14,976		14,976
Distribution (4)								
361	Structures & Improvements	\$ 68,605,192	2.26%	1,549,750		1,549,750		
362	Station Equipment	835,410,872	2.61%	21,769,102		21,769,102		
364	Poles, Towers & Fixtures	796,580,551	5.38%	42,885,481		42,885,481		
365	Overhead Conductor & Devices	747,098,829	3.54%	26,440,195		26,440,195		
366	Underground Conduit	422,506,703	1.99%	8,423,411		8,423,411		
367	Underground Conductor & Devices	1,518,542,809	2.41%	36,579,443		36,579,443		
368	Line Transformers	587,424,239	3.44%	20,206,075		20,206,075		
368	Line Capacitors	32,562,859	4.52%	1,472,309		1,472,309		
369	Services - Overhead	115,031,395	5.00%	5,755,471		5,755,471		
369	Services - Underground	355,588,711	2.58%	9,178,452		9,178,452		
370	Meters	254,451,195	5.57%	14,172,995		14,172,995		
371	Installations on Customer Premises	15,185,191	10.32%	1,567,344 (3)		1,567,344		
373	Street Lighting and Signal Systems	103,564,098	5.24%	5,422,643		5,422,643		
Distribution Subtotal (4)		\$ 5,852,552,644		195,422,671		195,422,671		
				Amortization of SD Short Term AFUDC		453,000		
Distribution Total (4)						195,875,671	5,338,990	201,214,660
Electric General								
390	Structures & Improvements	\$ 121,171,903	2.02%	2,450,381		2,450,381		
391	Office Furniture & Equipment	123,107,659	8.57%	10,552,702		10,552,702		
392	Transportation Equipment	256,727,631	6.08%	15,608,723	(15,608,723)	0		
393	Stores Equipment	1,972,587	4.60%	90,779		90,779		
394	Tools, Shop & Garage Equipment	155,857,600	6.18%	9,633,854		9,633,854		
395	Laboratory Equipment	2,787,099	5.55%	154,758		154,758		
396	Power Operated Equipment	84,428,374	4.86%	4,102,672	(4,102,672)	0		
397	Communication Equipment	256,373,603	8.00%	20,500,018		20,500,018		
398	Miscellaneous Equipment	1,887,242	6.00%	113,243		113,243		
Electric General Subtotal		\$ 1,004,313,698		63,207,130	(19,711,395) (5)	43,495,735		

FERC Account	Account Description	Depreciation Base	Depreciation Rate (%)	Total Depreciation Expense (1)	Less: Charged to Other Accounts	Net Depreciation Expense	K & M, Rider & Other Depreciation Adjustments	Adjusted Depreciation Expense
				a	b	c = a + b		
Electric General Total						Difference Between Financial View and SD Rules (5,689,614)		
						37,806,121	13,264,121	51,070,242
Electric Intangibles								
302	Franchises and Consents	\$ 275,779,245	3.98%	10,988,219		10,988,219		
303	Miscellaneous Intangible Plant (6)	247,306,957	8.46%	20,917,809		20,917,809		
Electric Intangibles Subtotal		\$ 523,086,202		31,906,028		31,906,028		
Electric Intangibles Total						Difference Between Financial View and SD Rules 1,275,554		
						33,181,582	(4,351,112)	28,830,470
Electric Common Plant (7) (8)				121,171,474	(1,004,427)	120,167,047	16,191,794	136,358,841
Electric Common Plant Total						Difference Between Financial View and SD Rules -1,601,462		
						118,565,585		118,565,585
Total Electric (Including Electric Common)		\$ 24,024,086,669		\$ 1,005,370,103	\$ (20,715,822)	\$ 927,486,130	\$ 77,157,806	\$ 1,004,643,936 (2)

* Remaining Life Technique used for calculating Production Plant Depreciation
For further explanation see Statement J footnote.

(1) See Schedule E-3 for an explanation of the computation of depreciation.

(2) See Statement M, Pages 4 - 6

(3) Plant balance is fully reserved at December 31, 2024.

(4) Electric Distribution Plant in the schedule above contains Total NSP-Minnesota Company all jurisdictions. Below is the Electric Distribution State of South Dakota only.

(5) Electric Utility Depreciation Expense charged to Clearing Accounts.

(6) Computer Software

(7) Depreciation Expense related to Electric Common Plant is not available in the same detail as Total Electric.

(8) Common Depreciation allocation to Electric is based on the allocation found in the FERC Form 1, page 356.

Note: NSP-Minnesota did not have any plant leased to others as of December 31, 2024