

Section M

20:10:13:96. Statement M -- Overall cost of service. Statement M shall show for the test period the overall cost of service per books for the filing public utility's utility operations during the test period, including allowances for return and income taxes based upon the rate of return claimed, together with the operating revenues of the filing public utility for the test period. If the filing public utility claims any adjustments to book figures, the cost of service based upon the claimed adjustments shall be shown on a separate schedule. If the amount of the filing public utility's total utility operating revenue differs significantly from its overall cost of service, including allowances for claimed return and income taxes, the filing public utility shall show the amounts available for return and taxes on income and return expressed as a percentage of rate base.

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

General Authority: SDCL 49-34A-4.

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

OVERALL COST OF SERVICE AT CLAIMED RATE OF RETURN

	<u>Unadjusted</u>	<u>Total Company</u>	<u>State of South Dakota</u>
1	Average Rate Base	13,726,617	1,058,958
2	Claimed Rate of Return	6.46%	6.85%
Development of Revenue Requirements			
3	Total Available for Return	887,271	72,505
Operating Expenses			
4	Operating and Maintenance	3,163,893	190,306
5	Depreciation & Amortizations	949,722	68,808
Taxes Other than Income			
6	Real Estate and Personal Property Taxes	213,277	11,055
7	Payroll and Other	30,801	2,124
8	Deferred Income Taxes	(359,361)	(23,201)
9	Federal and State Income Taxes	(39,952)	(1,964)
10	Total Operating Expenses	<u>3,958,379</u>	<u>247,129</u>
11	COST OF SERVICE (Operating Revenues)	<u><u>4,845,650</u></u>	<u><u>319,634</u></u>

OVERALL COST OF SERVICE AT CLAIMED ADJUSTMENT AND RATE OF RETURN

	<u>Pro Forma</u>	<u>Total Company</u>	<u>State of South Dakota</u>
1	Average Rate Base	14,904,643	1,239,313
2	Claimed Rate of Return	5.42%	4.78%
Development of Revenue Requirements			
3	Total Available for Return	807,326	59,282
Operating Expenses			
4	Operating and Maintenance	3,172,394	185,949
5	Depreciation & Amortizations	1,014,942	80,408
Taxes Other than Income			
6	Real Estate and Personal Property Taxes	256,702	13,587
7	Payroll and Other	30,764	2,123
8	Deferred Income Taxes	(337,028)	(19,830)
9	Federal and State Income Taxes	(52,254)	23,520
10	Total Operating Expenses	<u>4,085,519</u>	<u>285,756</u>
11	COST OF SERVICE (Operating Revenues)	<u><u>4,892,845</u></u>	<u><u>345,038</u></u>

Line No.	Column Number	Bridge - Unadjusted				Precedential	Adjustment							
		ADIT Prorate for IRS	Cash Working Capital	Net Operating Loss	Unadjusted	Total Base	Precedential Adjustments	Bad Debt Expense	Credit Card AutoPay	Decommissioning	Depreciation Study: TD&G	Dues: Chamber of Commerce	EOL Nuclear Fuel	Foundation and Other Donations
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1														
2	Operating Revenues													
3	Retail Revenue				4,108,342	4,108,342								
4	Other Operating				737,308	737,308	(572)				973		(63)	
5	Total Revenue				4,845,650	4,845,650	(572)				973		(63)	
6														
7	Expenses													
8	Operating Expenses													
9	Fuel & Purchased Energy				1,362,588	1,362,588								
10	Power Production				721,909	721,909	(2,530)						(449)	
11	Transmission				412,917	412,917								
12	Distribution				113,898	113,898								
13	Customer Accounting				66,365	66,365		439	5,910					
14	Customer Service and Information				188,314	188,314	(97)							
15	Sales, Econ Dev, & Other				4,748	4,748	238							
16	Administrative and General				293,154	293,154	(9,925)					95		2,198
17	Total Operating Expenses				3,163,893	3,163,893	(12,315)	439	5,910			95	(449)	2,198
18														
19	Depreciation				927,042	927,042				(154)	7,768			
20	Amortization				22,680	22,680	365							
21														
22	Taxes													
23	Property				213,277	213,277								
24	Deferred Income Tax and ITC			(489,383)	130,022	(359,361)	(450)				(2,736)		126	
25	Federal and State Income Tax	461		483,890	(524,302)	(39,952)	2,631	(92)	(1,241)	32	215	(20)	(14)	(462)
26	Payroll and Other				30,801	30,801	(37)							
27	Total Taxes	461		(5,493)	(150,203)	(155,236)	2,144	(92)	(1,241)	32	(2,521)	(20)	112	(462)
28														
29	Total Expenses	461		(5,493)	3,963,412	3,958,379	(9,806)	346	4,669	(122)	5,247	75	(337)	1,736
30														
31	Allowance for Funds Used During Construction													
32														
33	Net Income		(461)	5,493	882,239	887,271	9,234	(346)	(4,669)	122	(4,274)	(75)	273	(1,736)
34														
35	Calculation of Revenue Requirements													
36	Rate Base		(103,977)	233,064	13,597,530	13,726,617	18,306				(2,516)		161	
37	Required Operating Income		(7,861)	17,620	1,027,973	1,037,732	1,384				(190)		12	
38	Operating Income		(461)	5,493	882,239	887,271	9,234	(346)	(4,669)	122	(4,274)	(75)	273	(1,736)
39	Income Deficiency		(7,400)	12,126	145,734	150,461	(7,850)	346	4,669	(122)	4,083	75	(261)	1,736
40	Revenue Deficiency		(9,367)	15,350	184,474	190,457	(9,937)	439	5,910	(154)	5,169	95	(331)	2,198

Line No.	Column Number					Amortization				Rider Removals		Known & Me:		
		LTI-Environmental	Remaining Life Study: NSPM	Storm Damage	Vegetation Management	NOL ADIT ARAM	PIIC Deferral	Rate Case Expenses	~	Rider: Infrastructure	Rider: TCR	Excess Liab Insurance	K&M Property Tax	Known & Measurable
		(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
1														
2	Operating Revenues													
3	Retail Revenue									19,320	759			
4	Other Operating		(1,875)							12,937	(8,692)			24,407
5	Total Revenue		(1,875)							32,258	(7,933)			24,407
6														
7	Expenses													
8	Operating Expenses													
9	Fuel & Purchased Energy													
10	Power Production													
11	Transmission										(7,889)			
12	Distribution			(94)	313									
13	Customer Accounting													
14	Customer Service and Information													
15	Sales, Econ Dev, & Other													
16	Administrative and General	5,594						(238)				13,097		
17	Total Operating Expenses	5,594		(94)	313			(238)			(7,889)	13,097		
18														
19	Depreciation		(11,838)							(56)	(8)			81,890
20	Amortization					2,668	397	441	(16,253)					
21														
22	Taxes													
23	Property												43,425	
24	Deferred Income Tax and ITC		2,006							(245)	(7)			57,375
25	Federal and State Income Tax	(1,175)	(415)	20	(66)	(195)	(88)	(43)	3,413	32,667	(1)	(2,750)	(9,119)	(61,256)
26	Payroll and Other													
27	Total Taxes	(1,175)	1,591	20	(66)	(195)	(88)	(43)	3,413	32,423	(8)	(2,750)	34,306	(3,880)
28														
29	Total Expenses	4,419	(10,247)	(74)	248	2,473	309	160	(12,840)	32,367	(7,905)	10,346	34,306	78,010
30														
31	Allowance for Funds Used During Construction													
32														
33	Net Income	(4,419)	8,372	74	(248)	(2,473)	(309)	(160)	12,840	(109)	(28)	(10,346)	(34,306)	(53,603)
34														
35	Calculation of Revenue Requirements													
36	Rate Base		4,769			44,029	992			(1,445)	(372)			1,280,898
37	Required Operating Income		361			3,329	75			(109)	(28)			96,836
38	Operating Income	(4,419)	8,372	74	(248)	(2,473)	(309)	(160)	12,840	(109)	(28)	(10,346)	(34,306)	(53,603)
39	Income Deficiency	4,419	(8,012)	(74)	248	5,802	384	160	(12,840)	0		10,346	34,306	150,439
40	Revenue Deficiency	5,594	(10,141)	(94)	313	7,344	486	203	(16,253)	0		13,097	43,425	190,429

Line No.	Column Number	Insurable			Total
		PIIC Deferral (27)	Wage Adjustment (28)	Cash Working Capital (29)	
1					
2	Operating Revenues				
3	Retail Revenue				4,128,421
4	Other Operating				764,424
5	Total Revenue				4,892,845
6					
7	Expenses				
8	Operating Expenses				
9	Fuel & Purchased Energy		28		1,362,616
10	Power Production	604	528		720,062
11	Transmission		41		405,068
12	Distribution		142		114,259
13	Customer Accounting		36		72,749
14	Customer Service and Information		3		188,220
15	Sales, Econ Dev, & Other		1		4,986
16	Administrative and General		459		304,433
17	Total Operating Expenses	604	1,237		3,172,394
18					
19	Depreciation				1,004,644
20	Amortization				10,298
21					
22	Taxes				
23	Property				256,702
24	Deferred Income Tax and ITC			(33,736)	(337,028)
25	Federal and State Income Tax	(127)	(260)	94	(52,254)
26	Payroll and Other				30,764
27	Total Taxes	(127)	(260)	94	(101,817)
28					
29	Total Expenses	477	977	94	4,085,519
30					
31	Allowance for Funds Used During Construction				
32					
33	Net Income	(477)	(977)	(94)	7,790
34					
35	Calculation of Revenue Requirements				
36	Rate Base			(21,239)	(145,556)
37	Required Operating Income			(1,606)	(11,004)
38	Operating Income	(477)	(977)	(94)	7,790
39	Income Deficiency	477	977	(1,512)	(18,794)
40	Revenue Deficiency	604	1,237	(1,913)	(23,790)

Line No.	Column Number	Bridge - Unadjusted				Precedential	Adjustments			Amortizations		Rider Removal		Known & Measurable	Secondary Calculations		Total	
		ADIT Prorate for IRS	Cash Working Capital	Net Operating Loss	Unadjusted	Total Base	Precedential Adjustments	Depreciation Study: TD&G	EOL Nuclear Fuel	Remaining Life Study: NSPM	NOL ADIT ARAM	PIIC Deferral	Rider: Infrastructure	Rider: TCR	Known & Measurable	Cash Working Capital		Net Operating Loss
1																		
2	Plant as booked																	
3	Production				15,179,409	15,179,409						(240)		1,012,496			16,191,666	
4	Transmission				4,638,842	4,638,842							(377)	114,702			4,753,167	
5	Distribution				5,872,830	5,872,830								109,239			5,982,069	
6	General				1,580,249	1,580,249						(1,314)		124,358			1,703,294	
7	Common				1,192,287	1,192,287								120,252			1,312,539	
8	Total Utility Plant in Service				28,463,617	28,463,617						(1,554)	(377)	1,481,048			29,942,735	
9																		
10	Reserve for Depreciation																	
11	Production				8,500,170	8,500,170			(224)	(2,616)		(3)		34,643			8,531,970	
12	Transmission				1,159,045	1,159,045		3,632					(1)	5,128			1,167,804	
13	Distribution				2,081,685	2,081,685		713						4,861			2,087,259	
14	General				770,170	770,170		2,378		(3,303)		(7)		18,564			787,801	
15	Common				519,617	519,617		(2,839)						29,678			546,456	
16	Total Reserve for Depreciation				13,030,688	13,030,688		3,884	(224)	(5,919)		(10)	(1)	92,874			13,121,291	
17																		
18	Net Utility Plant																	
19	Production				6,679,239	6,679,239			224	2,616		(237)		977,853			7,659,695	
20	Transmission				3,479,797	3,479,797		(3,632)					(375)	109,574			3,585,363	
21	Distribution				3,791,145	3,791,145		(713)						104,378			3,894,810	
22	General				810,078	810,078		(2,378)		3,303		(1,307)		105,795			915,492	
23	Common				672,670	672,670		2,839						90,574			766,083	
24	Net Utility Plant in Service				15,432,929	15,432,929		(3,884)	224	5,919		(1,543)	(375)	1,388,174			16,821,444	
25																		
26	Utility Plant Held for Future Use																	
27																		
28	Construction Work in Progress				(0)	(0)											(0)	
29																		
30	Less: Accumulated Deferred Income Tax		(233,064)		2,293,149	2,060,085	7,549	(1,368)	63	1,151		(98)	(3)	107,276		145,556	2,320,211	
31																		
32	Other Rate Base Items																	
33	Cash Working Capital		(103,977)			(103,977)										(21,239)	(125,216)	
34	Materials and Supplies				221,609	221,609											221,609	
35	Fuel Inventory				90,768	90,768											90,768	
36	Non Plant Assets and Liabilities				86,056	86,056	22,266										108,322	
37	Customer Advances				(14,485)	(14,485)											(14,485)	
38	Customer Deposits				(31,607)	(31,607)											(31,607)	
39	Prepayments				102,527	102,527											102,527	
40	Regulatory Amortizations				2,882	2,882	3,589				44,029	992					51,492	
41	Total Other Rate Base		(103,977)		457,750	353,773	25,855				44,029	992				(21,239)	403,410	
42																		
43	Total Average Rate Base		(103,977)	233,064	13,597,530	13,726,617	18,306	(2,516)	161	4,769	44,029	992	(1,445)	(372)	1,280,898	(21,239)	(145,556)	14,904,643

Northern States Power Company
Electric Utility - Total Company and State of South Dakota
Actual Year Ended December 31, 2024
Summary of Unadjusted Operating Revenues and Expenses
(\$000's)

Docket No. EL25-____
Statement M
Page 7 of 8

	<u>Description</u>	<u>Total Company</u>	<u>State of South Dakota</u>
	Operating Revenues		
1	Retail	4,108,342	269,543
3	Interdepartmental	-	-
4	Other Operating	737,308	50,091
6	Total Operating Revenues	<u>4,845,650</u>	<u>319,634</u>
	Expenses		
	Operating Expenses:		
7	Fuel & Purchased Energy	1,362,588	78,168
8	Power Production	721,909	50,165
9	Transmission	412,917	29,074
10	Distribution	113,898	7,085
11	Customer Accounting	66,365	4,036
12	Customer Service & Information	188,314	1,289
13	Sales, Econ Dvlp & Other	4,748	63
14	Administrative & General	293,154	20,425
15	Total Operating Expenses	<u>3,163,893</u>	<u>190,306</u>
16	Depreciation	927,042	67,194
17	Amortization	22,680	1,614
	Taxes:		
18	Property	213,277	11,055
19	Gross Earnings	-	-
20	Deferred Income Tax & ITC	(359,361)	(23,201)
21	State & Federal Income	(39,952)	(1,964)
22	Payroll & Other	30,801	2,124
23	Total Taxes	<u>(155,236)</u>	<u>(11,985)</u>
24	Total Expenses	3,958,379	247,129
25	AFUDC	-	-
26	Total Operating Income	<u>887,271</u>	<u>72,505</u>

Northern States Power Company
Electric Utility - Total Company and State of South Dakota
Actual Year Ended December 31, 2024
Summary of Unadjusted Rate Base
(\$000's)

Docket No. EL25-____
Statement M
Page 8 of 8

	<u>Description</u>	<u>Total Company</u>	<u>State of South Dakota</u>
	Electric Plant as Booked		
1	Production	\$15,179,409	\$1,083,219
2	Transmission	\$4,638,842	\$327,282
3	Distribution	\$5,872,830	\$478,689
4	General	\$1,580,249	\$109,589
5	Common	\$1,192,287	\$82,629
6	TOTAL Utility Plant in Service	<u>\$28,463,617</u>	<u>\$2,081,408</u>
	<u>Reserve for Depreciation</u>		\$0
7	Production	\$8,500,170	\$601,477
8	Transmission	\$1,159,045	\$81,870
9	Distribution	\$2,081,685	\$136,597
10	General	\$770,170	\$53,449
11	Common	\$519,617	\$35,994
12	TOTAL Reserve for Depreciation	<u>\$13,030,688</u>	<u>\$909,388</u>
	Net Utility Plant in Service		\$0
13	Production	\$6,679,239	\$481,742
14	Transmission	\$3,479,797	\$245,412
15	Distribution	\$3,791,145	\$342,091
16	General	\$810,078	\$56,140
17	Common	\$672,670	\$46,634
18	Net Utility Plant in Service	<u>\$15,432,929</u>	<u>\$1,172,020</u>
19	Utility Plant Held for Future Use	\$0	\$0
20	Construction Work in Progress	\$0	\$0
21	Less: Accumulated Deferred Income Taxes	\$2,060,085	\$142,350
22	Cash Working Capital	(\$103,977)	(\$3,521)
	Other Rate Base Items:		
23	Non-Plant Assets & Liabilities	\$221,609	\$15,527
24	Materials and Supplies	\$90,768	\$6,426
25	Fuel Inventory	\$86,056	\$4,289
26	Prepayments	(\$14,485)	(\$3,438)
27	Interest on Customer Deposits	(\$31,607)	(\$48)
28	Customer Advances	\$102,527	\$7,170
29	Regulatory Amortizations	\$2,882	\$2,882
30	Total Other Rate Base Items	<u>\$457,750</u>	<u>\$29,288</u>
31	Total Average Rate Base	<u><u>\$13,726,617</u></u>	<u><u>\$1,058,958</u></u>