

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Historic Test Year

### Long Term Incentive Removal Adjustment

This adjustment removes Long-Term Incentive from recovery.  
Adjustments A11 and A23 add back Environmental and Time Based  
components of LTI.

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Historic Test Year

Long Term Incentive Removal Adjustment

Natural Account	Recovery Method	Record Type	NSPM SD Electric Retail
			2024 HTY
Performance Share Plan	Base Rates	Base OM	(70,621)
Restricted Stock Units	Base Rates	Base OM	<u>790,964</u>
		Total Long Term Incentive	720,343
Performance Share Plan	Base Rates	NSPM-Incentive Pay_Remove Long Term	70,621
Restricted Stock Units	Base Rates	NSPM-Incentive Pay_Remove Long Term	<u>(790,964)</u>
		Total Long Term Incentive Removal Adjustment	(720,343)

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Historic Test Year

Long Term Incentive Removal Adjustment

	NSPM SD Electric Retail
	2024 HTY

**Expenses**

Operating Expenses:

Fuel & Purchased Energy Total	
Production Total	(178,164)
Regional Markets	
Transmission IA	
Transmission	
Distribution	
Customer Accounting	0
Customer Service & Information	(178,164)
Sales, Econ Dvlp & Other	
<u>Administrative &amp; General</u>	

**Total Operating Expenses**

**Total Taxes**

Total Taxes Other than Income	
Total Federal and State Income Taxes	

<b>Total Taxes</b>	(542,179)
	(720,343)

**Total Operating Revenues**

<b>Total Expenses</b>	(569,071)
-----------------------	-----------

<b>Net Income</b>	<b>569,071</b>
-------------------	----------------

**Rate of Return (ROR)**

Total Operating Income	569,071
<u>Total Rate Base</u>	-
<b>ROR (Operating Income / Rate Base)</b>	

**Return on Equity (ROE)**

Net Operating Income	569,071
Debt Interest (Rate Base * Weighted Cost of Debt)	
Earnings Available for Common	569,071
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-
<b>ROE (earnings for Common / Equity)</b>	

**Revenue Deficiency**

Required Operating Income (Rate Base * Required Return)	
<u>Net Operating Income</u>	569,071
<b>Operating Income Deficiency</b>	(569,071)

Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>(720,343)</b>

**Total Revenue Requirements**

Total Retail Revenues	
<u>Revenue Deficiency</u>	(720,343)
<b>Total Revenue Requirements</b>	<b>(720,343)</b>

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Historic Test Year

Long Term Incentive Removal Adjustment

Record Type	Reporting Line	Account	Natural Account	Total	NSPM MN Electric Retail	NSPM ND Electric Retail	NSPM SD Electric Retail
				Dec - 2024	Dec - 2024	Dec - 2024	Dec - 2024
Base OM	Operating Expenses - Production - Fixed	51700	Performance Share Plan & Deferred Comp I	(81,934)	(71,184)	(4,980)	(5,769)
Base OM	Operating Expenses - Production - Fixed	51700	Restricted Stock Units	2,612,241	2,269,525	158,782	183,933
Base OM	Operating Expenses - Production - Fixed		Subtotal Operating Expenses - Production - Fixed	2,530,307	2,198,341	153,802	178,164
Base OM	Operating Expenses - Administrative & General	92000	Performance Share Plan & Deferred Comp I	(997,376)	(812,341)	(56,869)	(64,852)
Base OM	Operating Expenses - Administrative & General	92000	Restricted Stock Units	9,400,750	7,603,720	532,313	607,031
Base OM	Operating Expenses - Administrative & General		Subtotal Operating Expenses - Administrative & General	8,403,374	6,791,378	475,443	542,179
Base OM			Subtotal Base OM	10,933,681	8,989,719	629,245	720,343
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Production - Fixed	51700	Performance Share Plan & Deferred Comp I	81,934	71,184	4,980	5,769
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Production - Fixed	51700	Restricted Stock Units	(2,612,241)	(2,269,525)	(158,782)	(183,933)
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Production - Fixed		Subtotal Operating Expenses - Production - Fixed	(2,530,307)	(2,198,341)	(153,802)	(178,164)
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Administrative & General	92000	Performance Share Plan & Deferred Comp I	997,376	812,341	56,869	64,852
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Administrative & General	92000	Restricted Stock Units	(9,400,750)	(7,603,720)	(532,313)	(607,031)
NSPM-Incentive Pay_Remove Long Term	Operating Expenses - Administrative & General		Subtotal Operating Expenses - Administrative & General	(8,403,374)	(6,791,378)	(475,443)	(542,179)
NSPM-Incentive Pay_Remove Long Term			Subtotal NSPM-Incentive Pay_Remove Long Term	(10,933,681)	(8,989,719)	(629,245)	(720,343)
Amount included in Base Rate Recovery				-	-	-	-