

Northern States Power Company
South Dakota Electric Jurisdiction
Annual Revenue Requirement
SD PI EPU
(000s)

Capital Structure		2024
Long Term Debt Rate		4.4800%
Short Term Debt Rate		0.0000%
Preferred Stock Rate		0.0000%
Common Equity Rate		0.0000%
Long Term Debt Ratio		100.0000%
Short Term Debt Ratio		0.0000%
Preferred Stock Ratio		0.0000%
Common Equity Ratio		0.0000%
Long Term Debt Weighted Cost		4.4800%
Short Term Debt Weighted Cost		0.0000%
Preferred Stock Weighted Cost		0.0000%
Common Equity Weighted Cost		0.0000%
Required Rate of Return		4.4800%
Tax Rate (ND)		21.0000%
South Dakota		2024
Plant Investment		4,136
Depreciation Reserve		547
CWIP		-
Accumulated Deferred Taxes		1,307
Average Rate Base		2,282
Average Rate Base		2,282
Tax Prefereced Items:		-
Tax Depreciation & Removal Expense		-
Avoided Tax Interest		-
Debt Return		102
Equity Return		
Current Income Tax Requirement		62
Book Depreciation		365
Annual Deferred Tax		(133)
AFUDC Expenditure		
Property Taxes		
Total Revenue Requirements		396

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2024	
	Total	SD Electric

Composite Income Tax Rate

State Tax Rate		
Federal Statutory Tax Rate	21.00%	21.00%
<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>
Composite Tax Rate	21.00%	21.00%
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823

Weighted Cost of Capital

Active Rates and Ratios Version	Proposed	Proposed
Cost of Short Term Debt		
Cost of Long Term Debt	4.48%	4.48%
Cost of Common Equity	10.30%	10.30%
Ratio of Short Term Debt		
Ratio of Long Term Debt	47.13%	47.13%
Ratio of Common Equity	52.87%	52.87%
Weighted Cost of STD		
Weighted Cost of LTD	2.11%	2.11%
Weighted Cost of Debt	2.11%	2.11%
<u>Weighted Cost of Equity</u>	<u>5.45%</u>	<u>5.45%</u>
Required Rate of Return	7.56%	7.56%

Rate Base

Plant Investment		
<u>Depreciation Reserve</u>	-	-
Net Utility Plant		
CWIP		
Accumulated Deferred Taxes	1,306,870	1,306,870
DTA - NOL Average Balance		
DTA - Federal Tax Credit Average Balance	-	-
Total Accum Deferred Taxes	1,306,870	1,306,870
Cash Working Capital		
Materials and Supplies		
Fuel Inventory		
Non-plant Assets and Liabilities		
Customer Advances		
Customer Deposits		
Prepays and Other		
<u>Regulatory Amortizations</u>	<u>3,588,856</u>	<u>3,588,856</u>
Total Other Rate Base Items	3,588,856	3,588,856

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2024	
	Total	SD Electric

Total Rate Base	2,281,986	2,281,986
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Operating Revenues

Retail		
Interdepartmental		
<u>Other Operating Rev - Non-Retail</u>	<u>103,345</u>	<u>103,345</u>
Total Operating Revenues	103,345	103,345

Expenses

Operating Expenses:

Fuel		
Deferred Fuel		
Variable IA Production Fuel		
<u>Purchased Energy - Windsource</u>	<u>0</u>	<u>0</u>
Fuel & Purchased Energy Total		
Production - Fixed		
Production - Fixed IA Investment		
Production - Fixed IA O&M		
Production - Variable		
Production - Variable IA O&M		
<u>Production - Purchased Demand</u>	<u>0</u>	<u>0</u>
Production Total		
Regional Markets		
Transmission IA		
Transmission		
Distribution		
Customer Accounting		
Customer Service & Information		
Sales, Econ Dvlp & Other		
<u>Administrative & General</u>	<u>0</u>	<u>0</u>
Total Operating Expenses		

Depreciation		
Amortization	364,968	364,968

Taxes:

Property Taxes		
ITC Amortization		
Deferred Taxes	(132,902)	(132,902)
Deferred Taxes - NOL		
Less State Tax Credits deferred		
Less Federal Tax Credits deferred		

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2024	
	Total	SD Electric
Deferred Income Tax & ITC	(132,902)	(132,902)
Payroll & Other Taxes		
Total Taxes Other Than Income	(132,902)	(132,902)
<u>Income Before Taxes</u>		
Total Operating Revenues	103,345	103,345
less: Total Operating Expenses		
Book Depreciation		
Amortization	364,968	364,968
<u>Taxes Other than Income</u>	<u>(132,902)</u>	<u>(132,902)</u>
Total Before Tax Book Income	(128,721)	(128,721)
<u>Tax Additions</u>		
Book Depreciation		
Deferred Income Taxes and ITC	(132,902)	(132,902)
Nuclear Fuel Burn (ex. D&D)		
Nuclear Outage Accounting		
Avoided Tax Interest		
<u>Other Book Additions</u>	<u>364,968</u>	<u>364,968</u>
Total Tax Additions	232,066	232,066
<u>Tax Deductions</u>		
Total Rate Base	2,281,986	2,281,986
Weighted Cost of Debt	<u>2.11%</u>	<u>2.11%</u>
Debt Interest Expense	48,150	48,150
Nuclear Outage Accounting		
Tax Depreciation and Removals		
NOL Utilized / (Generated)		
<u>Other Tax / Book Timing Differences</u>	<u>0</u>	<u>0</u>
Total Tax Deductions	48,150	48,150
<u>State Taxes</u>		
State Taxable Income	55,195	55,195
State Income Tax Rate	-	-
State Taxes before Credits		
<u>Less State Tax Credits applied</u>	-	-
Total State Income Taxes		
<u>Federal Taxes</u>		
Federal Sec 199 Production Deduction		
Federal Taxable Income	55,195	55,195
Federal Income Tax Rate	<u>21.00%</u>	<u>21.00%</u>

NSPM - Driver 00 Report Year 1 ALL IN	Dec - 2024	
	Total	SD Electric
Federal Tax before Credits	11,591	11,591
<u>Less Federal Tax Credits</u>	-	-
Total Federal Income Taxes	11,591	11,591
Total Taxes		
Total Taxes Other than Income	(132,902)	(132,902)
Total Federal and State Income Taxes	11,591	11,591
Total Taxes	(121,311)	(121,311)
Total Operating Revenues	103,345	103,345
Total Expenses	243,657	243,657
AFDC Debt		
AFDC Equity	-	-
Net Income	(140,312)	(140,312)
<u>Rate of Return (ROR)</u>		
Total Operating Income	(140,312)	(140,312)
<u>Total Rate Base</u>	<u>2,281,986</u>	<u>2,281,986</u>
ROR (Operating Income / Rate Base)	(6.15%)	(6.15%)
<u>Return on Equity (ROE)</u>		
Net Operating Income	(140,312)	(140,312)
Debt Interest (Rate Base * Weighted Cost of Debt)	(48,150)	(48,150)
Earnings Available for Common	(188,462)	(188,462)
<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>1,206,486</u>	<u>1,206,486</u>
ROE (earnings for Common / Equity)	(15.62%)	(15.62%)
<u>Revenue Deficiency</u>		
Required Operating Income (Rate Base * Required Return)	172,518	172,518
<u>Net Operating Income</u>	<u>(140,312)</u>	<u>(140,312)</u>
Operating Income Deficiency	312,830	312,830
Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823
Revenue Deficiency (Income Deficiency * Conversion Factor)	395,988	395,988
<u>Total Revenue Requirements</u>		
Total Retail Revenues		
<u>Revenue Deficiency</u>	<u>395,988</u>	<u>395,988</u>
Total Revenue Requirements	395,988	395,988