

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Actual HTY

Bad Debt Expense Adjustment

| NSPM Commodity Bad Debt Jurisdictional Allocators | 2021 Actual   | 2022 Actual   | 2023 Actual   | 2024 Actual    |
|---|---------------|---------------|---------------|----------------|
| North Dakota Electric                             | 5.0%          | 5.0%          | 4.9%          | 4.9%           |
| North Dakota Gas                                  | 1.6%          | 1.7%          | 2.0%          | 2.1%           |
| Minnesota Electric                                | 76.7%         | 76.3%         | 74.7%         | 74.4%          |
| Minnesota Gas                                     | 11.5%         | 11.8%         | 13.2%         | 13.4%          |
| South Dakota Electric                             | 5.2%          | 5.3%          | 5.2%          | 5.2%           |
| Total   | 100.0%        | 100.0%        | 100.0%        | 100.0%         |
|   |               |               |               |                |
| Total Bad Debt Expense                            | 2021 Actual   | 2022 Actual   | 2023 Actual   | 2024 Actual    |
| Total Company NSP MN (MN, ND & SD)                | \$ 23,406,748 | \$ 18,210,795 | \$ 28,563,219 | \$ 20,572,471  |
| South Dakota Electric                             | \$ 1,228,303  | \$ 962,765    | \$ 1,488,405  | \$ 1,064,527   |
|   |               |               |               |                |
| SD Net Write-Offs                                 |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | \$ 1,293,963   |
|   |               |               |               |                |
| Test Year Retail Revenue                          |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | \$ 269,543,058 |
|   |               |               |               |                |
| Net Write-Off / Retail Revenue                    |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | 0.48%          |
|   |               |               |               |                |
| Deficiency  |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | \$ 43,556,687  |
|   |               |               |               |                |
| Adjustment to Deficiency                          |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | \$ 209,097     |
|   |               |               |               |                |
| Total   |               |               |               | 2024 Actual    |
| South Dakota Electric                             |               |               |               | \$ 438,534     |

Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Actual HTY

Bad Debt Expense Adjustment - Validation

| NSPM - Driver 00 Report Year 1 ALL IN                 | Dec - 2024    |               |               |
|---|---------------|---------------|---------------|
|   | Total         | SD Electric   | Other         |
| <b><u>Composite Income Tax Rate</u></b>               |               |               |               |
| State Tax Rate  |               |               |               |
| Federal Statutory Tax Rate                            | 21.00%        | 21.00%        | 21.00%        |
| Federal Effective Tax Rate                            | <u>21.00%</u> | <u>21.00%</u> | <u>21.00%</u> |
| <b>Composite Tax Rate</b>                             | <b>21.00%</b> | <b>21.00%</b> | <b>21.00%</b> |
| Revenue Conversion Factor (1/(1--Composite Tax Rate)) | 1.265823      | 1.265823      | 1.265823      |
| <b><u>Weighted Cost of Capital</u></b>                |               |               |               |
| Active Rates and Ratios Version                       | Proposed      | Proposed      | Proposed      |
| Cost of Short Term Debt                               |               |               |               |
| Cost of Long Term Debt                                | 4.48%         | 4.48%         | 4.48%         |
| Cost of Common Equity                                 | 10.30%        | 10.30%        | 10.30%        |
| Ratio of Short Term Debt                              |               |               |               |
| Ratio of Long Term Debt                               | 47.13%        | 47.13%        | 47.13%        |
| Ratio of Common Equity                                | 52.87%        | 52.87%        | 52.87%        |
| Weighted Cost of STD                                  |               |               |               |
| Weighted Cost of LTD                                  | 2.11%         | 2.11%         | 2.11%         |
| Weighted Cost of Debt                                 | 2.11%         | 2.11%         | 2.11%         |
| <u>Weighted Cost of Equity</u>                        | <u>5.45%</u>  | <u>5.45%</u>  | <u>5.45%</u>  |
| Required Rate of Return                               | 7.56%         | 7.56%         | 7.56%         |
| <b><u>Rate Base</u></b>                               |               |               |               |
| Plant Investment                                      |               |               |               |
| <u>Depreciation Reserve</u>                           | -             | -             | -             |
| Net Utility Plant                                     |               |               |               |
| CWIP  |               |               |               |
| Accumulated Deferred Taxes                            |               |               |               |
| DTA - NOL Average Balance                             |               |               |               |
| DTA - Federal Tax Credit Average Balance              | =             | =             | =             |
| Total Accum Deferred Taxes                            |               |               |               |
| Cash Working Capital                                  |               |               |               |
| Materials and Supplies                                |               |               |               |
| Fuel Inventory  |               |               |               |
| Non-plant Assets and Liabilities                      |               |               |               |
| Customer Advances                                     |               |               |               |
| Customer Deposits                                     |               |               |               |
| Prepays and Other                                     |               |               |               |
| <u>Regulatory Amortizations</u>                       | =             | =             | =             |
| Total Other Rate Base Items                           |               |               |               |
| <b>Total Rate Base</b>                                |               |               |               |
| <b><u>Operating Revenues</u></b>                      |               |               |               |
| Retail  |               |               |               |
| Interdepartmental                                     |               |               |               |
| <u>Other Operating Rev - Non-Retail</u>               | -             | -             | -             |
| <b>Total Operating Revenues</b>                       |               |               |               |
| <b><u>Expenses</u></b>                                |               |               |               |
| Operating Expenses:                                   |               |               |               |
| Fuel  |               |               |               |
| Deferred Fuel   |               |               |               |
| Variable IA Production Fuel                           |               |               |               |

| NSPM - Driver 00 Report Year 1 ALL IN      | Dec - 2024       |                  |              |
|--|------------------|------------------|--------------|
|  | Total            | SD Electric      | Other        |
| <u>Purchased Energy - Windsource</u>       | <u>0</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>         | <u>0</u>     |
| Production Total                           |                  |                  |              |
| Regional Markets                           |                  |                  |              |
| Transmission IA                            |                  |                  |              |
| Transmission                               |                  |                  |              |
| Distribution                               |                  |                  |              |
| Customer Accounting                        | 438,534          | 438,534          |              |
| Customer Service & Information             |                  |                  |              |
| Sales, Econ Dvlp & Other                   |                  |                  |              |
| <u>Administrative &amp; General</u>        | <u>0</u>         | <u>0</u>         | <u>0</u>     |
| <b>Total Operating Expenses</b>            | <b>438,534</b>   | <b>438,534</b>   |              |
| Depreciation                               |                  |                  |              |
| Amortization                               |                  |                  |              |
| <b><u>Taxes:</u></b>                       |                  |                  |              |
| Property Taxes                             |                  |                  |              |
| ITC Amortization                           |                  |                  |              |
| Deferred Taxes                             |                  |                  |              |
| Deferred Taxes - NOL                       |                  |                  |              |
| Less State Tax Credits deferred            |                  |                  |              |
| Less Federal Tax Credits deferred          |                  |                  |              |
| Deferred Income Tax & ITC                  |                  |                  |              |
| Payroll & Other Taxes                      |                  |                  |              |
| <b>Total Taxes Other Than Income</b>       |                  |                  |              |
| <b><u>Income Before Taxes</u></b>          |                  |                  |              |
| Total Operating Revenues                   |                  |                  |              |
| less: Total Operating Expenses             | 438,534          | 438,534          |              |
| Book Depreciation                          |                  |                  |              |
| Amortization                               |                  |                  |              |
| <u>Taxes Other than Income</u>             | -                | -                | -            |
| <b>Total Before Tax Book Income</b>        | <b>(438,534)</b> | <b>(438,534)</b> |              |
| <b><u>Tax Additions</u></b>                |                  |                  |              |
| Book Depreciation                          |                  |                  |              |
| Deferred Income Taxes and ITC              |                  |                  |              |
| Nuclear Fuel Burn (ex. D&D)                |                  |                  |              |
| Nuclear Outage Accounting                  |                  |                  |              |
| Avoided Tax Interest                       |                  |                  |              |
| <u>Other Book Additions</u>                | -                | -                | -            |
| <b>Total Tax Additions</b>                 |                  |                  |              |
| <b><u>Tax Deductions</u></b>               |                  |                  |              |
| Total Rate Base                            |                  |                  |              |
| Weighted Cost of Debt                      | <u>2.11%</u>     | <u>2.11%</u>     | <u>2.11%</u> |
| Debt Interest Expense                      |                  |                  |              |
| Nuclear Outage Accounting                  |                  |                  |              |
| Tax Depreciation and Removals              |                  |                  |              |
| NOL Utilized / (Generated)                 |                  |                  |              |
| <u>Other Tax / Book Timing Differences</u> | <u>0</u>         | <u>0</u>         | <u>0</u>     |
| <b>Total Tax Deductions</b>                |                  |                  |              |
| <b><u>State Taxes</u></b>                  |                  |                  |              |
| State Taxable Income                       | <b>(438,534)</b> | <b>(438,534)</b> |              |

| NSPM - Driver 00 Report Year 1 ALL IN                          | Dec - 2024       |                  |               |
|--|------------------|------------------|---------------|
|  | Total            | SD Electric      | Other         |
| State Income Tax Rate  | -                | -                | -             |
| State Taxes before Credits                                     |                  |                  |               |
| <u>Less State Tax Credits applied</u>                          | -                | -                | -             |
| <b>Total State Income Taxes</b>                                |                  |                  |               |
| <b>Federal Taxes</b>   |                  |                  |               |
| Federal Sec 199 Production Deduction                           |                  |                  |               |
| Federal Taxable Income   | (438,534)        | (438,534)        |               |
| Federal Income Tax Rate  | <u>21.00%</u>    | <u>21.00%</u>    | <u>21.00%</u> |
| Federal Tax before Credits                                     | (92,092)         | (92,092)         |               |
| <u>Less Federal Tax Credits</u>                                | -                | -                | -             |
| <b>Total Federal Income Taxes</b>                              | (92,092)         | (92,092)         |               |
| <b>Total Taxes</b>   |                  |                  |               |
| Total Taxes Other than Income                                  |                  |                  |               |
| Total Federal and State Income Taxes                           | (92,092)         | (92,092)         | 0             |
| <b>Total Taxes</b>   | (92,092)         | (92,092)         |               |
| <b>Total Operating Revenues</b>                                |                  |                  |               |
| Total Expenses   | 346,442          | 346,442          |               |
| AFDC Debt  |                  |                  |               |
| AFDC Equity  | -                | -                | -             |
| <b>Net Income</b>  | <b>(346,442)</b> | <b>(346,442)</b> |               |
| <b>Rate of Return (ROR)</b>                                    |                  |                  |               |
| Total Operating Income   | (346,442)        | (346,442)        |               |
| <u>Total Rate Base</u>   | -                | -                | -             |
| <b>ROR (Operating Income / Rate Base)</b>                      |                  |                  |               |
| <b>Return on Equity (ROE)</b>                                  |                  |                  |               |
| Net Operating Income   | (346,442)        | (346,442)        |               |
| Debt Interest (Rate Base * Weighted Cost of Debt)              |                  |                  |               |
| Earnings Available for Common                                  | (346,442)        | (346,442)        |               |
| <u>Equity Rate Base (Rate Base * Equity Ratio)</u>             | -                | -                | -             |
| <b>ROE (earnings for Common / Equity)</b>                      |                  |                  |               |
| <b>Revenue Deficiency</b>                                      |                  |                  |               |
| Required Operating Income (Rate Base * Required Return)        |                  |                  |               |
| <u>Net Operating Income</u>                                    | (346,442)        | (346,442)        |               |
| <b>Operating Income Deficiency</b>                             | <b>346,442</b>   | <b>346,442</b>   |               |
| Revenue Conversion Factor (1/(1--Composite Tax Rate))          | 1.265823         | 1.265823         | 1.265823      |
| <b>Revenue Deficiency (Income Deficiency * Conversion Fact</b> | <b>438,534</b>   | <b>438,534</b>   |               |
| <b>Total Revenue Requirements</b>                              |                  |                  |               |
| Total Retail Revenues  |                  |                  |               |
| <u>Revenue Deficiency</u>                                      | <u>438,534</u>   | <u>438,534</u>   | -             |
| Total Revenue Requirements                                     | 438,534          | 438,534          |               |

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2024 Actual HTY

Bad Debt Expense Adjustment - Deficiency

| NSPM - Driver 00 Report Year 1 ALL IN                 | Dec - 2024            |                      |                       |
|---|-----------------------|----------------------|-----------------------|
|   | Total                 | SD Electric          | Other                 |
| <b><u>Composite Income Tax Rate</u></b>               |                       |                      |                       |
| State Tax Rate  |                       |                      |                       |
| Federal Statutory Tax Rate                            | 21.00%                | 21.00%               | 21.00%                |
| Federal Effective Tax Rate                            | <u>21.00%</u>         | <u>21.00%</u>        | <u>21.00%</u>         |
| <b>Composite Tax Rate</b>                             | <b>21.00%</b>         | <b>21.00%</b>        | <b>21.00%</b>         |
| Revenue Conversion Factor (1/(1--Composite Tax Rate)) | 1.265823              | 1.265823             | 1.265823              |
| <b><u>Weighted Cost of Capital</u></b>                |                       |                      |                       |
| Active Rates and Ratios Version                       | Proposed              | Proposed             | Proposed              |
| Cost of Short Term Debt                               |                       |                      |                       |
| Cost of Long Term Debt                                | 4.48%                 | 4.48%                | 4.48%                 |
| Cost of Common Equity                                 | 10.30%                | 10.30%               | 10.30%                |
| Ratio of Short Term Debt                              |                       |                      |                       |
| Ratio of Long Term Debt                               | 47.13%                | 47.13%               | 47.13%                |
| Ratio of Common Equity                                | 52.87%                | 52.87%               | 52.87%                |
| Weighted Cost of STD                                  |                       |                      |                       |
| Weighted Cost of LTD                                  | 2.11%                 | 2.11%                | 2.11%                 |
| Weighted Cost of Debt                                 | 2.11%                 | 2.11%                | 2.11%                 |
| <u>Weighted Cost of Equity</u>                        | <u>5.45%</u>          | <u>5.45%</u>         | <u>5.45%</u>          |
| Required Rate of Return                               | 7.56%                 | 7.56%                | 7.56%                 |
| <b><u>Rate Base</u></b>                               |                       |                      |                       |
| Plant Investment                                      | 29,944,665,600        | 2,286,933,810        | 27,657,731,790        |
| <u>Depreciation Reserve</u>                           | <u>13,121,302,530</u> | <u>920,890,473</u>   | <u>12,200,412,057</u> |
| Net Utility Plant                                     | 16,823,363,070        | 1,366,043,337        | 15,457,319,733        |
| CWIP  | 0                     |                      | 0                     |
| Accumulated Deferred Taxes                            | 3,302,076,864         | 251,210,394          | 3,050,866,470         |
| DTA - NOL Average Balance                             | (44,887,523)          | (17,341,251)         | (27,546,272)          |
| DTA - State Tax Credit Average Balance                | (1,640,238)           |                      | (1,640,238)           |
| DTA - Federal Tax Credit Average Balance              | (935,236,807)         | (67,966,225)         | (867,270,582)         |
| Total Accum Deferred Taxes                            | 2,320,312,296         | 165,902,918          | 2,154,409,378         |
| Cash Working Capital                                  | (125,216,468)         | (3,421,259)          | (121,795,209)         |
| Materials and Supplies                                | 221,609,338           | 15,526,966           | 206,082,372           |
| Fuel Inventory  | 90,768,091            | 6,425,745            | 84,342,345            |
| Non-plant Assets and Liabilities                      | 108,322,491           | 5,841,323            | 102,481,169           |
| Customer Advances                                     | (14,485,083)          | (3,437,833)          | (11,047,249)          |
| Customer Deposits                                     | (31,607,413)          | (47,570)             | (31,559,844)          |
| Prepays and Other                                     | 102,527,275           | 7,170,335            | 95,356,940            |
| <u>Regulatory Amortizations</u>                       | <u>51,491,731</u>     | <u>12,932,318</u>    | <u>38,559,413</u>     |
| Total Other Rate Base Items                           | 403,409,962           | 40,990,025           | 362,419,937           |
| <b>Total Rate Base</b>                                | <b>14,906,460,737</b> | <b>1,241,130,445</b> | <b>13,665,330,292</b> |
| <b><u>Operating Revenues</u></b>                      |                       |                      |                       |
| Retail  | 4,108,342,111         | 269,543,058          | 3,838,799,054         |
| Interdepartmental                                     |                       |                      |                       |
| <u>Other Operating Rev - Non-Retail</u>               | <u>760,177,848</u>    | <u>51,169,811</u>    | <u>709,008,037</u>    |
| <b>Total Operating Revenues</b>                       | <b>4,868,519,959</b>  | <b>320,712,868</b>   | <b>4,547,807,091</b>  |
| <b><u>Expenses</u></b>                                |                       |                      |                       |
| Operating Expenses:                                   |                       |                      |                       |
| Fuel  | 1,332,734,694         | 77,552,602           | 1,255,182,092         |
| Deferred Fuel   | 5,980,428             | 71,019               | 5,909,408             |

| NSPM - Driver 00 Report Year 1 ALL IN      | Dec - 2024           |                    |                      |
|--|----------------------|--------------------|----------------------|
|  | Total                | SD Electric        | Other                |
| Variable IA Production Fuel                | 8,086,503            | 572,468            | 7,514,036            |
| <u>Purchased Energy - Windsource</u>       | <u>15,814,361</u>    | <u>0</u>           | <u>15,814,361</u>    |
| Fuel & Purchased Energy Total              | 1,362,615,986        | 78,196,089         | 1,284,419,897        |
| Production - Fixed                         | 487,074,077          | 34,672,106         | 452,401,971          |
| Production - Fixed IA Investment           |                      |                    |                      |
| Production - Fixed IA O&M                  | 50,648,189           | 3,566,240          | 47,081,949           |
| Production - Variable                      | 4,960,005            | 356,109            | 4,603,895            |
| Production - Variable IA O&M               | 6,300,926            | 446,061            | 5,854,864            |
| <u>Production - Purchased Demand</u>       | <u>159,758,746</u>   | <u>11,248,933</u>  | <u>148,509,813</u>   |
| Production Total                           | 708,741,943          | 50,289,450         | 658,452,492          |
| Regional Markets                           | 11,319,718           | 797,774            | 10,521,944           |
| Transmission IA                            | 151,156,475          | 10,643,230         | 140,513,245          |
| Transmission                               | 261,801,011          | 18,471,907         | 243,329,104          |
| Distribution                               | 114,259,427          | 7,446,030          | 106,813,397          |
| Customer Accounting                        | 72,749,285           | 4,990,805          | 67,758,481           |
| Customer Service & Information             | 188,220,061          | 1,284,943          | 186,935,118          |
| Sales, Econ Dvlp & Other                   | 4,986,317            | 114,178            | 4,872,139            |
| <u>Administrative &amp; General</u>        | <u>304,433,142</u>   | <u>21,603,571</u>  | <u>282,829,571</u>   |
| <b>Total Operating Expenses</b>            | <b>3,180,283,366</b> | <b>193,837,978</b> | <b>2,986,445,388</b> |
| Depreciation                               | 1,004,707,301        | 77,322,359         | 927,384,942          |
| Amortization                               | 10,298,255           | 3,148,565          | 7,149,690            |
| <b><u>Taxes:</u></b>                       |                      |                    |                      |
| Property Taxes                             | 256,702,019          | 13,586,787         | 243,115,232          |
| ITC Amortization                           | (1,538,055)          | (90,298)           | (1,447,758)          |
| Deferred Taxes                             | 164,625,531          | 12,295,427         | 152,330,104          |
| Deferred Taxes - NOL                       | (51,376,110)         | (33,951)           | (51,342,159)         |
| Less State Tax Credits deferred            |                      |                    |                      |
| Less Federal Tax Credits deferred          | (448,488,209)        | (31,749,826)       | (416,738,383)        |
| Deferred Income Tax & ITC                  | (336,776,844)        | (19,578,648)       | (317,198,196)        |
| Payroll & Other Taxes                      | 30,763,546           | 2,123,052          | 28,640,494           |
| <b>Total Taxes Other Than Income</b>       | <b>(49,311,279)</b>  | <b>(3,868,809)</b> | <b>(45,442,470)</b>  |
| <b><u>Income Before Taxes</u></b>          |                      |                    |                      |
| Total Operating Revenues                   | 4,868,519,959        | 320,712,868        | 4,547,807,091        |
| less: Total Operating Expenses             | 3,180,283,366        | 193,837,978        | 2,986,445,388        |
| Book Depreciation                          | 1,004,707,301        | 77,322,359         | 927,384,942          |
| Amortization                               | 10,298,255           | 3,148,565          | 7,149,690            |
| <u>Taxes Other than Income</u>             | <u>(49,311,279)</u>  | <u>(3,868,809)</u> | <u>(45,442,470)</u>  |
| <b>Total Before Tax Book Income</b>        | <b>722,542,316</b>   | <b>50,272,774</b>  | <b>672,269,542</b>   |
| <b><u>Tax Additions</u></b>                |                      |                    |                      |
| Book Depreciation                          | 1,004,707,301        | 77,322,359         | 927,384,942          |
| Deferred Income Taxes and ITC              | (336,776,844)        | (19,578,648)       | (317,198,196)        |
| Nuclear Fuel Burn (ex. D&D)                | 105,269,250          | 7,412,218          | 97,857,032           |
| Nuclear Outage Accounting                  | 48,476,753           | 3,417,394          | 45,059,359           |
| Avoided Tax Interest                       | 40,411,048           | 2,458,232          | 37,952,816           |
| <u>Other Book Additions</u>                | <u>3,029,254</u>     | <u>692,320</u>     | <u>2,336,934</u>     |
| <b>Total Tax Additions</b>                 | <b>865,116,761</b>   | <b>71,723,876</b>  | <b>793,392,885</b>   |
| <b><u>Tax Deductions</u></b>               |                      |                    |                      |
| Total Rate Base                            | 14,906,460,737       | 1,241,130,445      | 13,665,330,292       |
| Weighted Cost of Debt                      | <u>2.11%</u>         | <u>2.11%</u>       | <u>2.11%</u>         |
| Debt Interest Expense                      | 314,526,322          | 26,187,852         | 288,338,469          |
| Nuclear Outage Accounting                  | 57,698,295           | 4,067,817          | 53,630,477           |
| Tax Depreciation and Removals              | 1,841,117,161        | 138,061,715        | 1,703,055,446        |
| NOL Utilized / (Generated)                 | (183,240,697)        | (121,093)          | (183,119,604)        |
| <u>Other Tax / Book Timing Differences</u> | <u>(38,055,887)</u>  | <u>(2,642,954)</u> | <u>(35,412,933)</u>  |
| <b>Total Tax Deductions</b>                | <b>1,992,045,193</b> | <b>165,553,338</b> | <b>1,826,491,855</b> |
| <b><u>State Taxes</u></b>                  |                      |                    |                      |

| NSPM - Driver 00 Report Year 1 ALL IN                          | Dec - 2024            |                      |                       |
|--|-----------------------|----------------------|-----------------------|
|  | Total                 | SD Electric          | Other                 |
| State Taxable Income   | (404,386,115)         | (43,556,687)         | (360,829,428)         |
| State Income Tax Rate  | -                     | -                    | -                     |
| State Taxes before Credits                                     |                       |                      |                       |
| <u>Less State Tax Credits applied</u>                          | -                     | -                    | -                     |
| <b>Total State Income Taxes</b>                                |                       |                      |                       |
| <b>Federal Taxes</b>   |                       |                      |                       |
| Federal Sec 199 Production Deduction                           |                       |                      |                       |
| Federal Taxable Income   | (404,386,115)         | (43,556,687)         | (360,829,428)         |
| Federal Income Tax Rate  | <u>21.00%</u>         | <u>21.00%</u>        | <u>21.00%</u>         |
| Federal Tax before Credits                                     | (84,921,084)          | (9,146,904)          | (75,774,180)          |
| <u>Less Federal Tax Credits</u>                                | <u>0</u>              | -                    | <u>0</u>              |
| <b>Total Federal Income Taxes</b>                              | (84,921,084)          | (9,146,904)          | (75,774,180)          |
| <b>Total Taxes</b>   |                       |                      |                       |
| Total Taxes Other than Income                                  | (49,311,279)          | (3,868,809)          | (45,442,470)          |
| Total Federal and State Income Taxes                           | (84,921,084)          | (9,146,904)          | (75,774,180)          |
| <b>Total Taxes</b>   | (134,232,363)         | (13,015,713)         | (121,216,650)         |
| <b>Total Operating Revenues</b>                                |                       |                      |                       |
|  | <b>4,868,519,959</b>  | <b>320,712,868</b>   | <b>4,547,807,091</b>  |
| Total Expenses   | 4,061,056,559         | 261,293,190          | 3,799,763,369         |
| AFDC Debt  |                       |                      |                       |
| AFDC Equity  | -                     | -                    | -                     |
| <b>Net Income</b>  | <b>807,463,401</b>    | <b>59,419,679</b>    | <b>748,043,722</b>    |
| <b>Rate of Return (ROR)</b>                                    |                       |                      |                       |
| Total Operating Income   | 807,463,401           | 59,419,679           | 748,043,722           |
| <u>Total Rate Base</u>   | <u>14,906,460,737</u> | <u>1,241,130,445</u> | <u>13,665,330,292</u> |
| <b>ROR (Operating Income / Rate Base)</b>                      | 5.42%                 | 4.79%                | 5.47%                 |
| <b>Return on Equity (ROE)</b>                                  |                       |                      |                       |
| Net Operating Income   | 807,463,401           | 59,419,679           | 748,043,722           |
| Debt Interest (Rate Base * Weighted Cost of Debt)              | (314,526,322)         | (26,187,852)         | (288,338,469)         |
| Earnings Available for Common                                  | 492,937,079           | 33,231,826           | 459,705,253           |
| <u>Equity Rate Base (Rate Base * Equity Ratio)</u>             | <u>7,881,045,791</u>  | <u>656,185,666</u>   | <u>7,224,860,125</u>  |
| <b>ROE (earnings for Common / Equity)</b>                      | <b>6.25%</b>          | <b>5.06%</b>         | <b>6.36%</b>          |
| <b>Revenue Deficiency</b>                                      |                       |                      |                       |
| Required Operating Income (Rate Base * Required Return)        | 1,126,928,432         | 93,829,462           | 1,033,098,970         |
| <u>Net Operating Income</u>                                    | <u>807,463,401</u>    | <u>59,419,679</u>    | <u>748,043,722</u>    |
| <b>Operating Income Deficiency</b>                             | <b>319,465,031</b>    | <b>34,409,783</b>    | <b>285,055,248</b>    |
| Revenue Conversion Factor (1/(1--Composite Tax Rate))          | 1.265823              | 1.265823             | 1.265823              |
| <b>Revenue Deficiency (Income Deficiency * Conversion Fact</b> | <b>404,386,115</b>    | <b>43,556,687</b>    | <b>360,829,428</b>    |
| <b>Total Revenue Requirements</b>                              |                       |                      |                       |
| Total Retail Revenues  | 4,108,342,111         | 269,543,058          | 3,838,799,054         |
| <u>Revenue Deficiency</u>                                      | <u>404,386,115</u>    | <u>43,556,687</u>    | <u>360,829,428</u>    |
| Total Revenue Requirements                                     | 4,512,728,227         | 313,099,745          | 4,199,628,482         |