

**Northern States Power Company**  
**South Dakota Electric Jurisdiction**  
**2024 Actuals**

Prairie Island Indian Community (PIIC) Deferral

The purpose of this adjustment is to include in the test year the amortization for South Dakota's deferred jurisdictional portion of the Prairie Island Indian Community expenses as authorized in Docket No. EL23-025.

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**PIIC Deferral - 2024 HTY**

Line No.		NSPM SD Electric
		Retail
		HTY - 2024
1	<b><u>Composite Income Tax Rate</u></b>	
2	State Tax Rate	
3	Federal Statutory Tax Rate	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>21.00%</u>
5	<b>Composite Tax Rate</b>	<b>21.00%</b>
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
7		
8	<b><u>Weighted Cost of Capital</u></b>	
9	Active Rates and Ratios Version	Proposed
10	Cost of Short Term Debt	
11	Cost of Long Term Debt	4.48%
12	Cost of Common Equity	10.30%
13	Ratio of Short Term Debt	
14	Ratio of Long Term Debt	47.13%
15	Ratio of Common Equity	52.87%
16	Weighted Cost of STD	
17	Weighted Cost of LTD	2.11%
18	Weighted Cost of Debt	2.11%
19	<u>Weighted Cost of Equity</u>	<u>5.45%</u>
20	Required Rate of Return	7.56%
21		
22	<b><u>Rate Base</u></b>	
23	Plant Investment	
24	<u>Depreciation Reserve</u>	-
25	Net Utility Plant	
26	CWIP	
27		
28	Accumulated Deferred Taxes	
29	DTA - NOL Average Balance	
30	DTA - Federal Tax Credit Average Balance	=
31	Total Accum Deferred Taxes	
32		
33	Cash Working Capital	
34	Materials and Supplies	
35	Fuel Inventory	
36	Non-plant Assets and Liabilities	
37	Customer Advances	
38	Customer Deposits	
39	Prepays and Other	
40	<u>Regulatory Amortizations</u>	<u>991,957</u>
41	Total Other Rate Base Items	991,957
42		
43	<b>Total Rate Base</b>	<b>991,957</b>

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Line No.		NSPM SD Electric
		Retail
		HTY - 2024
44		
45		
46	Depreciation	
47	Amortization	396,783
48		
49	<b><u>Taxes:</u></b>	
50	Property Taxes	
51	ITC Amortization	
52	Deferred Taxes	
53	Deferred Taxes - NOL	
54	Less State Tax Credits deferred	
55	Less Federal Tax Credits deferred	
56	Deferred Income Tax & ITC	
57	Payroll & Other Taxes	
58	<b>Total Taxes Other Than Income</b>	
59		
60	<b><u>Income Before Taxes</u></b>	
61	Total Operating Revenues	
62	less: Total Operating Expenses	
63	Book Depreciation	
64	Amortization	396,783
65	<u>Taxes Other than Income</u>	-
66	<b>Total Before Tax Book Income</b>	(396,783)
67		
68	<b><u>Tax Additions</u></b>	
69	Book Depreciation	
70	Deferred Income Taxes and ITC	
71	Nuclear Fuel Burn (ex. D&D)	
72	Nuclear Outage Accounting	
73	Avoided Tax Interest	
74	<u>Other Book Additions</u>	-
75	<b>Total Tax Additions</b>	
76		
77	<b><u>Tax Deductions</u></b>	
78	Total Rate Base	991,957
79	Weighted Cost of Debt	<u>2.11%</u>
80	Debt Interest Expense	20,930
81	Nuclear Outage Accounting	
82	Tax Depreciation and Removals	
83	NOL Utilized / (Generated)	
84	<u>Other Tax / Book Timing Differences</u>	<u>0</u>
85	<b>Total Tax Deductions</b>	<b>20,930</b>
86		
87	<b><u>State Taxes</u></b>	
88	State Taxable Income	(417,713)
89	State Income Tax Rate	-
90	State Taxes before Credits	
91	<u>Less State Tax Credits applied</u>	-
92	<b>Total State Income Taxes</b>	

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Line No.		NSPM SD Electric
		Retail
		HTY - 2024
93		
94	<b><u>Federal Taxes</u></b>	
95	Federal Sec 199 Production Deduction	
96	Federal Taxable Income	(417,713)
97	Federal Income Tax Rate	21.00%
98	Federal Tax before Credits	(87,720)
99	<u>Less Federal Tax Credits</u>	-
100	<b>Total Federal Income Taxes</b>	(87,720)
101		
102	<b>Total Taxes</b>	
103	Total Taxes Other than Income	
104	Total Federal and State Income Taxes	(87,720)
105	<b>Total Taxes</b>	(87,720)
106		
107	<b>Total Operating Revenues</b>	
108	Total Expenses	309,063
109		
110	AFDC Debt	
111	AFDC Equity	-
112		
113	<b>Net Income</b>	<b>(309,063)</b>
114		
115	<b><u>Rate of Return (ROR)</u></b>	
116	Total Operating Income	(309,063)
117	<u>Total Rate Base</u>	991,957
118	<b>ROR (Operating Income / Rate Base)</b>	(31.16%)
119		
120	<b><u>Return on Equity (ROE)</u></b>	
121	Net Operating Income	(309,063)
122	Debt Interest (Rate Base * Weighted Cost of Debt)	(20,930)
123	Earnings Available for Common	(329,993)
124	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	524,448
125	<b>ROE (earnings for Common / Equity)</b>	(62.92%)
126		
127	<b><u>Revenue Deficiency</u></b>	
128	Required Operating Income (Rate Base * Required Return)	74,992
129	<u>Net Operating Income</u>	(309,063)
130	<b>Operating Income Deficiency</b>	384,055
131		
132	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
133	<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>486,146</b>
134		
135	<b><u>Total Revenue Requirements</u></b>	
136	Total Retail Revenues	
137	<u>Revenue Deficiency</u>	486,146
138	Total Revenue Requirements	486,146
139		

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Deferral Calculation

	2024	2025	
Cost per cask	\$50,000	\$50,000	[A]
PI Casks	50	52	[B]
Subtotal	\$2,500,000	\$2,600,000	[C] = [A] x [B]
Additional PIIC Payment	\$7,500,000	\$7,500,000	[D]
Total	\$10,000,000	\$10,100,000	[E] = [C] + [D]
* Demand Prod SD Jur %	7.05900%	7.05900%	[F]
* Demand MN Co %	83.89480%	83.89480%	[G]
SD Portion	592,213.39	598,135.53	[H] = [E] x [F] x [G]

*\*Utilizing 2024 Actual Allocators to Estimate 2025 PIIC Deferral.*

Total PIIC Deferral	1,190,348.92
3 Year Amortization Period	3
Annual Reg Amortization	396,783