

Northern States Power Company
South Dakota Electric Jurisdiction
SD Infrastructure Rider Removal for 2024 Historical Test Year

Purpose: The Company made an adjustment to remove SD Infrastructure expenses, rate base, and revenue for two projects in the 2024 revenue requirement. The two projects, A.0000045.001 - PI Dry Casks and D.0001813.154 - Chestnut Service Center, have phased in-servicing with a portion of the project placed in service at the end of 2024 with additional in-servicings occurring in subsequent years. The company is proposing to recovery these projects in the SD Infrastructure rider. All other projects in the 2024 revenue requirement for the rider are in-service by the end of 2024 and will thus be rolled into base rates.

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Line No.	MEP - Record Type Validation	Proposed Rebuttal Adj.		
		NSPM SD Electric Retail	NSPM-SD Infrastructure Rider Removal Adjustment	NSPM SD Electric Retail Adjusted
		Dec - 2024	Dec - 2024	Dec - 2024
1	Composite Income Tax Rate			
2	State Tax Rate			
3	Federal Statutory Tax Rate	21.00%	21.00%	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
5	Composite Tax Rate	21.00%	21.00%	21.00%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
7				
8	Weighted Cost of Capital			
9	Active Rates and Ratios Version	Proposed	Proposed	Proposed
10	Cost of Short Term Debt			
11	Cost of Long Term Debt	4.48%	4.48%	4.48%
12	Cost of Common Equity	10.30%	10.30%	10.30%
13	Ratio of Short Term Debt			
14	Ratio of Long Term Debt	47.13%	47.13%	47.13%
15	Ratio of Common Equity	52.87%	52.87%	52.87%
16	Weighted Cost of STD			
17	Weighted Cost of LTD	2.11%	2.11%	2.11%
18	Weighted Cost of Debt	2.11%	2.11%	2.11%
19	<u>Weighted Cost of Equity</u>	<u>5.45%</u>	<u>5.45%</u>	<u>5.45%</u>
20	Required Rate of Return	7.56%	7.56%	7.56%
21				
22	Rate Base			
23	Plant Investment	(1,553,506)		(1,553,506)
24	<u>Depreciation Reserve</u>	<u>(10,070)</u>	-	<u>(10,070)</u>
25	Net Utility Plant	(1,543,437)		(1,543,437)
26	CWIP			
27				
28	Accumulated Deferred Taxes	(98,111)		(98,111)
29	DTA - NOL Average Balance			
30	DTA - Federal Tax Credit Average Balance	-	-	-
31	Total Accum Deferred Taxes	(98,111)		(98,111)
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>	-	-	-
41	Total Other Rate Base Items			
42				
43	Total Rate Base	(1,445,326)		(1,445,326)
44				
45	Operating Revenues			
46	Retail	19,320,287	306,735	19,627,023
47	Interdepartmental			
48	<u>Other Operating Rev - Non-Retail</u>	<u>12,937,494</u>	<u>44,561</u>	<u>12,982,055</u>
49	Total Operating Revenues	32,257,781	351,297	32,609,078

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		Dec - 2024	Dec - 2024	Dec - 2024
50				
51	<u>Expenses</u>			
52	Operating Expenses:			
53	Fuel			
54	Deferred Fuel			
55	Variable IA Production Fuel			
56	<u>Purchased Energy - Windsource</u>	0	0	0
57	Fuel & Purchased Energy Total			
58	Production - Fixed			
59	Production - Fixed IA Investment			
60	Production - Fixed IA O&M			
61	Production - Variable			
62	Production - Variable IA O&M			
63	<u>Production - Purchased Demand</u>	0	0	0
64	Production Total			
65	Regional Markets			
66	Transmission IA			
67	Transmission			
68	Distribution			
69	Customer Accounting			
70	Customer Service & Information			
71	Sales, Econ Dvlp & Other			
72	<u>Administrative & General</u>	0	0	0
73	Total Operating Expenses			
74				
75	Depreciation	(55,654)		(55,654)
76	Amortization			
77				
78	<u>Taxes:</u>			
79	Property Taxes			
80	ITC Amortization			
81	Deferred Taxes	(244,712)		(244,712)
82	Deferred Taxes - NOL			
83	Less State Tax Credits deferred			
84	Less Federal Tax Credits deferred			
85	Deferred Income Tax & ITC	(244,712)		(244,712)
86	Payroll & Other Taxes			
87	Total Taxes Other Than Income	(244,712)		(244,712)
88				
89	<u>Income Before Taxes</u>			
90	Total Operating Revenues	32,257,781	351,297	32,609,078
91	less: Total Operating Expenses			
92	Book Depreciation	(55,654)		(55,654)
93	Amortization			
94	<u>Taxes Other than Income</u>	(244,712)	-	(244,712)
95	Total Before Tax Book Income	32,558,147	351,297	32,909,444
96				
97	<u>Tax Additions</u>			
98	Book Depreciation	(55,654)		(55,654)
99	Deferred Income Taxes and ITC	(244,712)		(244,712)
100	Nuclear Fuel Burn (ex. D&D)			
101	Nuclear Outage Accounting			
102	Avoided Tax Interest	(209,578)		(209,578)
103	<u>Other Book Additions</u>	-	-	-
104	Total Tax Additions	(509,944)		(509,944)

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		NSPM SD Electric Retail	NSPM-SD Infrastructure Rider Removal Adjustment	NSPM SD Electric Retail Adjusted
		Dec - 2024	Dec - 2024	Dec - 2024
105				
106	<u>Tax Deductions</u>			
107	Total Rate Base	(1,445,326)		(1,445,326)
108	Weighted Cost of Debt	2.11%	2.11%	2.11%
109	Debt Interest Expense	(30,496)		(30,496)
110	Nuclear Outage Accounting			
111	Tax Depreciation and Removals	(1,026,202)		(1,026,202)
112	NOL Utilized / (Generated)			
113	Other Tax / Book Timing Differences	0	0	0
114	Total Tax Deductions	(1,056,699)		(1,056,699)
115				
116	<u>State Taxes</u>			
117	State Taxable Income	33,104,901	351,297	33,456,198
118	State Income Tax Rate	-	-	-
119	State Taxes before Credits			
120	Less State Tax Credits applied	-	-	-
121	Total State Income Taxes			
122				
123	<u>Federal Taxes</u>			
124	Federal Sec 199 Production Deduction			
125	Federal Taxable Income	33,104,901	351,297	33,456,198
126	Federal Income Tax Rate	21.00%	21.00%	21.00%
127	Federal Tax before Credits	6,952,029	73,772	7,025,802
128	Less Federal Tax Credits	25,715,384	277,524	25,992,909
129	Total Federal Income Taxes	32,667,414	351,297	33,018,710
130				
131	Total Taxes			
132	Total Taxes Other than Income	(244,712)		(244,712)
133	Total Federal and State Income Taxes	32,667,414	351,297	33,018,710
134	Total Taxes	32,422,702	351,297	32,773,998
135				
136	Total Operating Revenues	32,257,781	351,297	32,609,078
137	Total Expenses	32,367,048	351,297	32,718,344
138				
139	AFDC Debt			
140	AFDC Equity	-	-	-
141				
142	Net Income	(109,267)		(109,267)
143				
144	<u>Rate of Return (ROR)</u>			
145	Total Operating Income	(109,267)		(109,267)
146	Total Rate Base	(1,445,326)	-	(1,445,326)
147	ROR (Operating Income / Rate Base)	7.56%		7.56%
148				
149	<u>Return on Equity (ROE)</u>			
150	Net Operating Income	(109,267)		(109,267)
151	Debt Interest (Rate Base * Weighted Cost of Debt)	30,496		30,496
152	Earnings Available for Common	(78,770)		(78,770)
153	Equity Rate Base (Rate Base * Equity Ratio)	(764,144)	-	(764,144)
154	ROE (earnings for Common / Equity)	10.31%		10.31%
155				
156	<u>Revenue Deficiency</u>			
157	Required Operating Income (Rate Base * Required Return)	(109,267)		(109,267)
158	Net Operating Income	(109,267)		(109,267)
159	Operating Income Deficiency	0		0
160				
161	Revenue Conversion Factor (1/(1-Composite Tax Rate))	1.265823	1.265823	1.265823
162	Revenue Deficiency (Income Deficiency * Conversion Factor)	0		0
163				
164	<u>Total Revenue Requirements</u>			
165	Total Retail Revenues	19,320,287	306,735	19,627,023
166	Revenue Deficiency	0	-	-
167	Total Revenue Requirements	19,320,287	306,735	19,627,023
168				

SMC - Nonplant 13 Month Average, Active Jurisdiction [SAP]	NSPM SD Electric Retail													
	Dec - 2023	Jan - 2024	Feb - 2024	Mar - 2024	Apr - 2024	May - 2024	Jun - 2024	Jul - 2024	Aug - 2024	Sep - 2024	Oct - 2024	Nov - 2024	Dec - 2024	13 mo avg

	NSPM SD Electric Retail												
	Jan - 2024	Feb - 2024	Mar - 2024	Apr - 2024	May - 2024	Jun - 2024	Jul - 2024	Aug - 2024	Sep - 2024	Oct - 2024	Nov - 2024	Dec - 2024	2024

[illegible]

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SD Infrastructure Rider Roll-In Timeline

Base Rates			SD Infrastructure Projects
SD Infrastructure Rider			Proposal for Rate Case
21 Inf	A.0001707.001 DWF0 Dakota Wind Turbines	Base Rates	X
21 Inf	A.0001707.004 DWF0 Dakota Wind TSG	Base Rates	X
22 Inf	A.0001742.001 - NRW North Wind Farms - Viking/Chanarambie	Base Rates	X
22 Inf	A.0001890.001 - RAW Rock Aetna Wind	Base Rates	X
22 Inf	A.0001566.172-NBL Nobles Wind Repow	Base Rates	X
23 Inf	A.0001576.022-GDM Grand Meadow Repo	Base Rates	X
23 Inf	A.0000035.186-PI CT11, CT12 Transfor	Base Rates	X
23 Inf	A.0000035.313-PI 121-128 Intake Tra	Base Rates	X
23 Inf	A.0000035.403-PI 2022 Capital Maintenance	Base Rates	X
23 Inf	A.0000040.069-PI U2 Baffle Bolt Rep	Base Rates	X
23 Inf	A.0000045.001-PI TN-40 Casks (48-64	SD Infrastructure Rider	✓
23 Inf	A.0000053.006-PI Wireless Network E	Base Rates	X
23 Inf	A.0000073.005-PI 122 Cooling Tower	Base Rates	X
23 Inf	A.0001320.007-NSPM Comm Network Pro	Base Rates	X
23 Inf	A.0001571.023-ANS2 CT Maj OH Rep Va	Base Rates	X
23 Inf	A.0001575.170-HBC8 - U8 CT Ovhl Maj	Base Rates	X
23 Inf	A.0006056.002-MN-Dist Fleet NewUnit Prchse El Ops	Base Rates	X
23 Inf	A.0006056.001-MN Transportation Units Over 50K	Base Rates	X
23 Inf	A.0010021.007-SD - Pole Replacement Blanket	Base Rates	X
23 Inf	A.0010147.003-SUB Install Louise LO	Base Rates	X
23 Inf	A.0010174.001-SUB Install Great Pla	Base Rates	X
23 Inf	A.0010174.002-LINE Install Great Pl	Base Rates	X
23 Inf	D.0001804.355-CIP Substation Ph2 SW	Base Rates	X
23 Inf	D.0001810.118-Chanhassen New SC	Base Rates	X
23 Inf	D.0001810.119-Marshall Operations C	Base Rates	X
23 Inf	D.0001810.139-Belle Plaine SC New	Base Rates	X
23 Inf	D.0001810.144-Grand Forks New Const	Base Rates	X
23 Inf	D.0001810.146-Belgrade SC New	Base Rates	X
23 Inf	D.0001853.003-ITC-Distrib Intell SW	Base Rates	X
23 Inf	D.0002533.003-ITC-DI Services Platf	Base Rates	X
23 Inf	D.0001900.016-FAN - AGIS - NSPM - M	Base Rates	X
23 Inf	D.0001901.008-AGIS Meter Data Mgmt	Base Rates	X
23 Inf	D.0001901.057-AMI-DIST-NSPM-SD Full	Base Rates *	X
23 Inf	D.0001901.071-AMI-SW-License-BS-NSP	Base Rates	X
23 Inf	D.0002038.004-DEMS Ph4 HW MN-10756	Base Rates	X
23 Inf	D.0002181.005-ITC-Strategic Fiber D	Base Rates	X
23 Inf	D.0002223.006-ITC-Customer Care IVR	Base Rates	X
23 Inf	D.0002240.006-ITC - HCM Core Payrll	Base Rates	X
23 Inf	D.0002333.001-ITC ISO Intrfc & Stlm	Base Rates	X
23 Inf	D.0002488.005-ITC-LFCM OT Moderniza	Base Rates	X
23 Inf	A.0000017.165-MT 2022 Maintenance Blanket	Base Rates	X
23 Inf	A.0000017.203-MT 2023 Maintenance Blanket	Base Rates	X
23 Inf	A.0000017.215-MT Rplc Turbine Stop Vlvs	Base Rates	X
23 Inf	A.0000035.456-PI U2 RV Lower Radial Clevis Bolts	Base Rates	X
23 Inf	A.0001573.325-BDS2 HP Turbine Blades Rpl	Base Rates	X
23 Inf	A.0005553.001-COMM MN Fiber Buildout	Base Rates	X
23 Inf	A.0005587.001-SOUTH DAKOTA MAJOR STORM RECOVERY	Base Rates	X
23 Inf	A.0006056.367-MN-Dist Fleet ADD Unit Purchase E >	Base Rates	X
23 Inf	A.0006056.369-MN-Fleet ADD Units El Trans >50K	Base Rates	X
23 Inf	A.0010013.001-SD - OH Relocation Blanket	Base Rates	X
23 Inf	A.0010021.001-SD - OH Rebuild Blanket	Base Rates	X
23 Inf	A.0010029.001-SD - URD Cable Replacement Blanket	Base Rates	X
23 Inf	A.0010079.003-Rebuild Cherry Creek CHC321	Base Rates	X
23 Inf	D.0001856.001-ITC-Monitoring Device Mgmt SW 20017	Base Rates	X
23 Inf	D.0001927.001-ITC-Marshall Operation Center NP M	Base Rates	X
23 Inf	D.0001994.063-ITC-VMWare-200148-MN	Base Rates	X
23 Inf	D.0002011.013-ITC - WAN Routine HW NSPMN	Base Rates	X
23 Inf	D.0002153.023-ITC-Microsoft License SW 200148 MN	Base Rates	X
23 Inf	D.0002350.003-ITC-SAS BookRunner Upgra SW 200134	Base Rates	X
23 Inf	D.0002515.003-ITC - OT Monitoring 2021 NSPW	Base Rates	X
23 Inf	D.0002515.034-OT Monitoring 2021 HW	Base Rates	X
23 Inf	D.0002515.038-OT Monitoring 2021 SD	Base Rates	X
23 Inf	D.0002518.001-ITC-LFCM Data Storage Rout HW NP MN	Base Rates	X
23 Inf	A.0001562.051-REW1C REPLACE U1 TRAVELING GRA	Base Rates	X
23 Inf	A.0001562.139-REW2C Repl U2 Trvg Gate Bed	Base Rates	X
23 Inf	A.0001562.149-REW1 Rep U1 Superheater-Secondary-2	Base Rates	X
23 Inf	A.0001562.207-REW0 Landfil Liner Phase 1	Base Rates	X
23 Inf	A.0001565.077-WLMOC Slaker PLC Replacement	Base Rates	X

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SD Infrastructure Rider Roll-In Timeline

Base Rates			SD Infrastructure Projects	
SD Infrastructure Rider			Proposal for Rate Case	
23 Inf	A.0001565.116-WLM1C U1 Static Exciter	Base Rates		X
23 Inf	A.0001565.125-WLM2-Replace U2 Boiler Grates 2022	Base Rates		X
23 Inf	A.0001565.129-WLM1-Replace U1 Superhtr Bundle -12	Base Rates		X
23 Inf	A.0001565.144-WLM99-Replace Walking Floor 2022-17	Base Rates		X
23 Inf	A.0001565.160-WLM1New Unit 1 ID Fan Motor and VFD	Base Rates		X
23 Inf	A.0001565.163-WLM0-Greensand Filter for RO Water-	Base Rates		X
24 Inf	A.0000017.305-MT Lake Tank	Base Rates		X
24 Inf	A.0000017.306-MT Groundwater Harden	Base Rates		X
24 Inf	A.0000033.050-MT Groundwater Monit	Base Rates		X
24 Inf	A.0000033.051-MT Groundwater Monito	Base Rates		X
24 Inf	A.0000033.059-MT Groundwater Mitiga	Base Rates		X
25 Inf	D.0001813.154-CSC Redevelopment	SD Infrastructure Rider **		✓

* Known and Measurable Adjustment

** Project to be included in 2025 SD INF Filing with 2024 Revenue Requirement