

**Northern States Power Company  
South Dakota Electric Jurisdiction  
2024 Historic Test Year (HTY)**

Interest on Customer Deposits

Customer deposits are treated as customer-supplied capital; thus it is appropriate to include interest expense on customer deposits to pay a return on that investment. The average balance of customer deposits are deducted from rate base and at the same time operating expenses are increased to permit the recovery of interest paid on these deposits.

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Line No.	NSPM - 00 Complete Revenue Requirements by Jurisdiction, 5yrs ALL IN	NSPM SD Electric Retail
		Dec - 2024
1	<b><u>Composite Income Tax Rate</u></b>	
2	State Tax Rate	9.80%
3	Federal Statutory Tax Rate	21.00%
4	<u>Federal Effective Tax Rate</u>	18.94%
5	<b>Composite Tax Rate</b>	<b>28.74%</b>
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.403351
7		
8	<b><u>Weighted Cost of Capital</u></b>	
9	Active Rates and Ratios Version	Proposed
10	Cost of Short Term Debt	6.49%
11	Cost of Long Term Debt	4.48%
12	Cost of Common Equity	9.60%
13	Ratio of Short Term Debt	0.39%
14	Ratio of Long Term Debt	47.11%
15	Ratio of Common Equity	52.50%
16	Weighted Cost of STD	0.03%
17	Weighted Cost of LTD	2.11%
18	Weighted Cost of Debt	2.14%
19	<u>Weighted Cost of Equity</u>	<u>5.04%</u>
20	Required Rate of Return	7.18%
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>	-
41	Total Other Rate Base Items	
42		
43	<b>Total Rate Base</b>	
44		
45	<b><u>Operating Revenues</u></b>	
46	Retail	
47	Interdepartmental	
48	<u>Other Operating Rev - Non-Retail</u>	-
49	<b>Total Operating Revenues</b>	
50		
51	<b><u>Expenses</u></b>	

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52	Operating Expenses:	
53	Fuel	
54	Deferred Fuel	
55	Variable IA Production Fuel	
56	<u>Purchased Energy - Windsourse</u>	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
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 &amp; General</u>	3,128
73	<b>Total Operating Expenses</b>	<b>3,128</b>
74		
75	Depreciation	
76	Amortization	
77		
78	<b><u>Taxes:</u></b>	
79	Property Taxes	
80	ITC Amortization	
81	Deferred Taxes	
82	Deferred Taxes - NOL	
83	Less State Tax Credits deferred	
84	Less Federal Tax Credits deferred	
85	Deferred Income Tax & ITC	
86	Payroll & Other Taxes	
87	<b>Total Taxes Other Than Income</b>	
88		
89	<b><u>Income Before Taxes</u></b>	
90	Total Operating Revenues	
91	less: Total Operating Expenses	3,128
92	Book Depreciation	
93	Amortization	
94	<u>Taxes Other than Income</u>	-
95	<b>Total Before Tax Book Income</b>	<b>(3,128)</b>
96		
97	<b><u>Tax Additions</u></b>	
98	Book Depreciation	
99	Deferred Income Taxes and ITC	
100	Nuclear Fuel Burn (ex. D&D)	
101	Nuclear Outage Accounting	
102	Avoided Tax Interest	
103	<u>Other Book Additions</u>	-
104	<b>Total Tax Additions</b>	

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105		
106	<b><u>Tax Deductions</u></b>	
107	Total Rate Base	
108	Weighted Cost of Debt	2.14%
109	Debt Interest Expense	
110	Nuclear Outage Accounting	
111	Tax Depreciation and Removals	
112	NOL Utilized / (Generated)	
113	<u>Other Tax / Book Timing Differences</u>	0
114	<b>Total Tax Deductions</b>	
115		
116	<b><u>State Taxes</u></b>	
117	State Taxable Income	(3,128)
118	State Income Tax Rate	9.80%
119	State Taxes before Credits	(307)
120	<u>Less State Tax Credits applied</u>	-
121	<b>Total State Income Taxes</b>	(307)
122		
123	<b><u>Federal Taxes</u></b>	
124	Federal Sec 199 Production Deduction	
125	Federal Taxable Income	(2,821)
126	Federal Income Tax Rate	21.00%
127	Federal Tax before Credits	(592)
128	<u>Less Federal Tax Credits</u>	-
129	<b>Total Federal Income Taxes</b>	(592)
130		
131	<b>Total Taxes</b>	
132	Total Taxes Other than Income	
133	Total Federal and State Income Taxes	(899)
134	<b>Total Taxes</b>	(899)
135		
136	<b>Total Operating Revenues</b>	
137	Total Expenses	2,229
138		
139	AFDC Debt	
140	AFDC Equity	-
141		
142	<b>Net Income</b>	<b>(2,229)</b>
143		
144	<b><u>Rate of Return (ROR)</u></b>	
145	Total Operating Income	(2,229)
146	<u>Total Rate Base</u>	-
147	<b>ROR (Operating Income / Rate Base)</b>	
148		
149	<b><u>Return on Equity (ROE)</u></b>	
150	Net Operating Income	(2,229)
151	Debt Interest (Rate Base * Weighted Cost of Debt)	
152	Earnings Available for Common	(2,229)
153	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-
154	<b>ROE (earnings for Common / Equity)</b>	
155		
156	<b><u>Revenue Deficiency</u></b>	

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157	Required Operating Income (Rate Base * Required Return)	
158	<u>Net Operating Income</u>	(2,229)
159	<b>Operating Income Deficiency</b>	<b>2,229</b>
160		
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.403351
162	<b><u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u></b>	<b><u>3,128</u></b>
163		
164	<b><u>Total Revenue Requirements</u></b>	
165	Total Retail Revenues	
166	<u>Revenue Deficiency</u>	<u>3,128</u>
167	Total Revenue Requirements	3,128
168		

Northern States Power Company

South Dakota Electric Jurisdiction

2024 Actual Interest on Customer Deposits

O&M Adjustment

12 Month Calendar Year ending December 2024

IO 200000003681

Cost Elements 6060046 and 4280463

Total Interest on Customer Deposits

Utility Allocator - Customers

Jurisdiction Allocator - Customers

Total NSPM	NSPM Electric	MN Electric	ND Electric	SD Electric
\$46,639	\$46,639	\$40,660	\$2,851	\$3,128
	73.97%			
	100.00%	87.18%	6.11%	6.71%