

Northern States Power Company
State of South Dakota Electric Jurisdiction

2024 Historic Test Year (HTY)

Employee Expense Adjustment

--> The employee expense adjustment accounts for employee expense that appear inconsistent with the guidelines in our employee expense policy, or have been identified as generally not being needed for the provision of utility service.

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Line No.	NSPM - 00 Complete Revenue Requirements by Jurisdiction, 5yrs ALL IN	NSPM SD Electric Retail
		Dec - 2024
1	<u>Composite Income Tax Rate</u>	
2	State Tax Rate	
3	Federal Statutory Tax Rate	21.00%
4	<u>Federal Effective Tax Rate</u>	<u>21.00%</u>
5	Composite Tax Rate	21.00%
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
7		
8	<u>Weighted Cost of Capital</u>	
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	<u>Rate Base</u>	
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	Total Rate Base	
44		
45	<u>Operating Revenues</u>	
46	Retail	
47	Interdepartmental	
48	<u>Other Operating Rev - Non-Retail</u>	-
49	Total Operating Revenues	
50		
51	<u>Expenses</u>	
52	Operating Expenses:	
53	Fuel	
54	Deferred Fuel	
55	Variable IA Production Fuel	
56	<u>Purchased Energy - Windsource</u>	<u>0</u>
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>	<u>0</u>
64	Production Total	
65	Regional Markets	

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66	Transmission IA	
67	Transmission	
68	Distribution	
69	Customer Accounting	
70	Customer Service & Information	
71	Sales, Econ Dvlp & Other	
72	<u>Administrative & General</u>	(25,245)
73	Total Operating Expenses	(25,245)
74		
75	Depreciation	
76	Amortization	
77		
78	<u>Taxes:</u>	
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	Total Taxes Other Than Income	
88		
89	<u>Income Before Taxes</u>	
90	Total Operating Revenues	
91	less: Total Operating Expenses	(25,245)
92	Book Depreciation	
93	Amortization	
94	<u>Taxes Other than Income</u>	-
95	Total Before Tax Book Income	25,245
96		
97	<u>Tax Additions</u>	
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	Total Tax Additions	
105		
106	<u>Tax Deductions</u>	
107	Total Rate Base	
108	Weighted Cost of Debt	2.11%
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	Total Tax Deductions	
115		
116	<u>State Taxes</u>	
117	State Taxable Income	25,245
118	State Income Tax Rate	-
119	State Taxes before Credits	
120	<u>Less State Tax Credits applied</u>	-
121	Total State Income Taxes	
122		
123	<u>Federal Taxes</u>	
124	Federal Sec 199 Production Deduction	
125	Federal Taxable Income	25,245
126	Federal Income Tax Rate	21.00%
127	Federal Tax before Credits	5,301
128	<u>Less Federal Tax Credits</u>	-
129	Total Federal Income Taxes	5,301

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130		
131	Total Taxes	
132	Total Taxes Other than Income	
133	Total Federal and State Income Taxes	5,301
134	Total Taxes	5,301
135		
136	Total Operating Revenues	
137	Total Expenses	(19,944)
138		
139	AFDC Debt	
140	AFDC Equity	-
141		
142	Net Income	19,944
143		
144	<u>Rate of Return (ROR)</u>	
145	Total Operating Income	19,944
146	<u>Total Rate Base</u>	-
147	ROR (Operating Income / Rate Base)	
148		
149	<u>Return on Equity (ROE)</u>	
150	Net Operating Income	19,944
151	Debt Interest (Rate Base * Weighted Cost of Debt)	
152	Earnings Available for Common	19,944
153	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-
154	ROE (earnings for Common / Equity)	
155		
156	<u>Revenue Deficiency</u>	
157	Required Operating Income (Rate Base * Required Return)	
158	<u>Net Operating Income</u>	19,944
159	Operating Income Deficiency	(19,944)
160		
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
162	Revenue Deficiency (Income Deficiency * Conversion Factor)	(25,245)
163		
164	<u>Total Revenue Requirements</u>	
165	Total Retail Revenues	
166	<u>Revenue Deficiency</u>	(25,245)
167	Total Revenue Requirements	(25,245)
168		

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Year 1 Annual Total	Natural Account	NSPM Electric	
		Total	NSPM SD Electric Retail
2024	0005600191: Employee Expenses Airfare	740,583	52,088
2024	0005600196: Employee Expenses Car Rental	182,596	12,700
2024	0005600201: Employee Expenses Taxi and Bus	100,358	6,913
2024	0005600206: Employee Expenses Mileage	1,568,358	119,038
2024	0005600211: Employee Expenses Conf Seminar Trng	1,122,133	78,202
2024	0005600216: Employee Expenses Hotel	1,416,427	107,162
2024	0005600221: Employee Expenses Meals	2,740,104	193,291
2024	0005600226: Employee Expenses Meals Non-Employee	113,189	12,373
2024	0005600231: Employee Expenses Parking	154,056	10,731
2024	0005600236: Employee Expenses Per Diem	2,671,612	189,235
2024	0005600241: Employee Expenses Safety Equipment	3,422,694	226,551
2024	0005600246: Employee Expenses Other	1,328,719	82,209
2024	0005600271: Safety Recognition	60,245	4,218
2024	0005600276: Life Events	51,819	3,496
2024	0005600281: Employee Performance Recognition	1,479,838	102,743
2024	0005600591: Dues - Professional Association	311,984	18,660
2024	0005600596: Dues - Utility Association Other	166,141	90,702
2024	0005600601: Dues - Utility Association	2,252,661	156,367
2024	0005600611: Dues - Nuclear Association	7,521,892	529,631
2024	0005600656: Fees - Directors	1,548,029	107,480
2024	Subtotal 2024	28,953,436	2,103,789
2024 HTY Adjustment (1.2%) -->			25,245