

Northern States Power Company  
South Dakota Electric Jurisdiction  
Known & Measurable Adjustments - Property Taxes

Line No.	NSPM - Driver 00 Report 5yr ALL IN	NSPM SD Electric Retail
		Dec - 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	9.25%
13	Ratio of Short Term Debt	
14	Ratio of Long Term Debt	47.14%
15	Ratio of Common Equity	52.86%
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>4.89%</u>
20	Required Rate of Return	7.00%
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>	
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	
66	Transmission IA	
67	Transmission	
68	Distribution	
69	Customer Accounting	
70	Customer Service & Information	

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71	Sales, Econ Dvlp & Other	
72	<u>Administrative &amp; General</u>	0
73	<b>Total Operating Expenses</b>	
74		
75	Depreciation	
76	Amortization	
77		
78	<u><b>Taxes:</b></u>	
79	Property Taxes	2,532,176
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>	<b>2,532,176</b>
88		
89	<u><b>Income Before Taxes</b></u>	
90	Total Operating Revenues	
91	less: Total Operating Expenses	
92	Book Depreciation	
93	Amortization	
94	<u>Taxes Other than Income</u>	<u>2,532,176</u>
95	<b>Total Before Tax Book Income</b>	<b>(2,532,176)</b>
96		
97	<u><b>Tax Additions</b></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	<b>Total Tax Additions</b>	
105		
106	<u><b>Tax Deductions</b></u>	
107	Total Rate Base	
108	Weighted Cost of Debt	<u>2.11%</u>
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	<u><b>State Taxes</b></u>	
117	State Taxable Income	<b>(2,532,176)</b>
118	State Income Tax Rate	
119	State Taxes before Credits	-
120	<u>Less State Tax Credits applied</u>	-
121	<b>Total State Income Taxes</b>	
122		
123	<u><b>Federal Taxes</b></u>	
124	Federal Sec 199 Production Deduction	
125	Federal Taxable Income	<b>(2,532,176)</b>
126	Federal Income Tax Rate	<u>21.00%</u>
127	Federal Tax before Credits	<b>(531,757)</b>
128	<u>Less Federal Tax Credits</u>	-
129	<b>Total Federal Income Taxes</b>	<b>(531,757)</b>
130		
131	<b>Total Taxes</b>	
132	Total Taxes Other than Income	2,532,176
133	Total Federal and State Income Taxes	<b>(531,757)</b>
134	<b>Total Taxes</b>	<b>2,000,419</b>
135		
136	<b>Total Operating Revenues</b>	
137	Total Expenses	2,000,419
138		
139	AFDC Debt	
140	AFDC Equity	-

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Line No.	NSPM - Driver 00 Report 5yr ALL IN	NSPM SD Electric
		Retail Dec - 2024
141		
142	<b>Net Income</b>	<b>(2,000,419)</b>
143		
144	<b>Rate of Return (ROR)</b>	
145	Total Operating Income	(2,000,419)
146	Total Rate Base	-
147	ROR (Operating Income / Rate Base)	
148		
149	<b>Return on Equity (ROE)</b>	
150	Net Operating Income	(2,000,419)
151	Debt Interest (Rate Base * Weighted Cost of Debt)	
152	Earnings Available for Common	(2,000,419)
153	Equity Rate Base (Rate Base * Equity Ratio)	-
154	ROE (earnings for Common / Equity)	
155		
156	<b>Revenue Deficiency</b>	
157	Required Operating Income (Rate Base * Required Return)	
158	Net Operating Income	(2,000,419)
159	Operating Income Deficiency	2,000,419
160		
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
162	<b>Revenue Deficiency (Income Deficiency * Conversion Factor)</b>	<b>2,532,176</b>
163		
164	<b>Total Revenue Requirements</b>	
165	Total Retail Revenues	
166	Revenue Deficiency	2,532,176
167	Total Revenue Requirements	2,532,176
168		

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Known & Measurable Adjustments - Property Taxes  
2026 K&M Incremental Property Taxes - Based on April 1, 2025 Update

<-----2025 Property Taxes Total----->					<-----NSPM Jurisdiction Total----->					MN St * IA Alloc
	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total SD St
	Minn	No Dak	So Dak	NSPM	Minn	No Dak	So Dak	Wholesale	NSPM	Net of IA
	1	2	3	4	5	6	7	8	9	10
<hr/>										
Electric										
1 Production	18,324,830	(86,841)	262,816	18,500,805	16,073,574	1,124,553	1,302,679	0	18,500,805	1,092,880
2 Transmission	10,508,153	219,906	392,822	11,120,880	9,661,865	675,972	783,043	0	11,120,880	656,933
3 Distribution	17,394,540	397,458	782,364	18,574,361	17,394,540	397,458	782,364	0	18,574,361	782,364
4 Common	0	0	0	0	0	0	0	0	0	0
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5 Total Electric	46,227,523	530,522	1,438,002	48,196,047	43,129,979	2,197,982	2,868,086	0	48,196,047	2,532,176
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Gas										
6 Production	1,883,825	0	0	1,883,825	1,635,207	248,618	0	0	1,883,825	
7 Transmission	621,533	(1,036)	0	620,496	621,533	(1,036)	0	0	620,496	
8 Distribution	6,792,814	353,798	0	7,146,612	6,792,814	353,798	0	0	7,146,612	
9 Common	0	0	0	0	0	0	0	0	0	
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10 Total Gas	9,298,172	352,761	0	9,650,934	9,049,554	601,379	0	0	9,650,934	
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11 Total Operating	55,525,695	883,284	1,438,002	57,846,981	52,179,533	2,799,362	2,868,086	0	57,846,981	
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Common										
Non-Utility	92,892	0	0	92,892	Total Property Tax					57,939,873
Gen Off #7045	0	0	0	0	Less Non-Utility					92,892
Bal of Comm	0	0	0	0	Total Operating					<u>57,846,981</u>
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	92,892	0	0	92,892						
<hr/>										
Common w/o NU	0	0	0	0						
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Allocators:					<-----NSPM Jurisdiction Allocators----->					
<u>NSPM Company Allocators</u>					Minn	No Dak	So Dak	Wholesale	TOTAL	
Electric	Production E12CP				86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
	Transmissi E12CPT				86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
					Minn	No Dak			TOTAL	
Gas	Production GDDAY				86.8025%	13.1975%			100.0000%	
					<-----Interchange Agreement Allocators----->					
<u>Interchange Agreement Demand Allocators</u>					NSPM CO	NSPW CO			TOTAL	
Electric	Production 36 month CP				83.8948%	16.1052%			100.0000%	
	Transmissi 36 month CP				83.8948%	16.1052%			100.0000%	
<u>3 Factor Utility Allocator(Common)</u>					Electric	Gas				
					93.1721%	6.8279%			100.0000%	

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2026 Property Taxes - Based on April 1, 2025 Update

<-----2025 Property Taxes Total----->					<-----NSPM Jurisdiction Total----->					MN St * IA Alloc
	2026 Total Minn	2026 Total No Dak	2026 Total So Dak	2026 Total NSPM	2026 Total Minn	2026 Total No Dak	2026 Total So Dak	2026 Total Wholesale	2026 Total NSPM	2026 Total SD St Net of IA
	1	2	3	4	5	6	7	8	9	10
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Electric										
1 Production	97,906,800	2,202,000	3,224,400	103,333,200	89,776,297	6,281,005	7,275,897	0	103,333,200	6,104,099
2 Transmission	51,181,200	2,420,400	1,808,400	55,410,000	48,140,430	3,368,041	3,901,529	0	55,410,000	3,273,180
3 Distribution	67,968,000	2,826,000	2,713,200	73,507,200	67,968,000	2,826,000	2,713,200	0	73,507,200	2,713,200
4 Common	0	0	0	0	0	0	0	0	0	0
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5 Total Electric	217,056,000	7,448,400	7,746,000	232,250,400	205,884,727	12,475,047	13,890,626	0	232,250,400	12,090,479
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Gas										
6 Production	3,534,000	0	0	3,534,000	3,067,600	466,400	0	0	3,534,000	
7 Transmission	1,971,600	33,600	0	2,005,200	1,971,600	33,600	0	0	2,005,200	
8 Distribution	23,834,400	2,136,000	0	25,970,400	23,834,400	2,136,000	0	0	25,970,400	
9 Common	0	0	0	0	0	0	0	0	0	
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10 Total Gas	29,340,000	2,169,600	0	31,509,600	28,873,600	2,636,000	0	0	31,509,600	
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11 Total Operating	246,396,000	9,618,000	7,746,000	263,760,000	234,758,327	15,111,046	13,890,626	0	263,760,000	
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Common										
Non-Utility	156,000	0	0	156,000			Total Property Tax		263,916,000	
Gen Off #7045	0	0	0	0			Less Non-Utility		156,000	
Bal of Comm	0	0	0	0			Total Operating		263,760,000	
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	156,000	0	0	156,000						
<hr/>										
Common w/o NU	0	0	0	0						
<hr/>										
Allocators:					<-----NSPM Jurisdiction Allocators----->					
<u>NSPM Company Allocators</u>					Minn	No Dak	So Dak	Wholesale	TOTAL	
Electric	Production	E12CP			86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
	Transmission	E12CPT			86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
					Minn	No Dak			TOTAL	
Gas	Production	GDDAY			86.8025%	13.1975%			100.0000%	
					<-----Interchange Agreement Allocators----->					
<u>Interchange Agreement Demand Allocators</u>					NSPM CO	NSPW CO			TOTAL	
Electric	Production	36 month CP			83.8948%	16.1052%			100.0000%	
	Transmission	36 month CP			83.8948%	16.1052%			100.0000%	
<u>3 Factor Utility Allocator(Common)</u>					Electric	Gas				
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<-----2024 Property Taxes Total----->					<-----NSPM Jurisdiction Total----->					MN St * IA Alloc
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total SD St
	Minn	No Dak	So Dak	NSPM	Minn	No Dak	So Dak	Wholesale	NSPM	Net of IA
	1	2	3	4	5	6	7	8	9	10
Electric										
1 Production	79,581,970	2,288,841	2,961,584	84,832,395	73,702,724	5,156,452	5,973,219	0	84,832,395	5,011,220
2 Transmission	40,673,047	2,200,494	1,415,578	44,289,120	38,478,564	2,692,070	3,118,485	0	44,289,120	2,616,247
3 Distribution	50,573,460	2,428,542	1,930,836	54,932,839	50,573,460	2,428,542	1,930,836	0	54,932,839	1,930,836
4 Common	0	0	0	0	0	0	0	0	0	0
5 Total Electric	170,828,477	6,917,878	6,307,998	184,054,353	162,754,748	10,277,064	11,022,540	0	184,054,353	9,558,303
Gas										
6 Production	1,650,175	0	0	1,650,175	1,432,393	217,782	0	0	1,650,175	
7 Transmission	1,350,067	34,636	0	1,384,704	1,350,067	34,636	0	0	1,384,704	
8 Distribution	17,041,586	1,782,202	0	18,823,788	17,041,586	1,782,202	0	0	18,823,788	
9 Common	0	0	0	0	0	0	0	0	0	
10 Total Gas	20,041,828	1,816,839	0	21,858,666	19,824,046	2,034,620	0	0	21,858,666	
11 Total Operating	190,870,305	8,734,716	6,307,998	205,913,019	182,578,794	12,311,685	11,022,540	0	205,913,019	
Common										
Non-Utility	63,108	0	0	63,108			Total Property Tax		205,976,127	
Gen Off #7045	0	0	0	0			Less Non-Utility		63,108	
Bal of Comm	0	0	0	0			Total Operating		205,913,019	
	63,108	0	0	63,108						
Common w/o NU	0	0	0	0						
Allocators:										
<-----NSPM Jurisdiction Allocators----->										
NSPM Company Allocators					Minn	No Dak	So Dak	Wholesale	TOTAL	
Electric	Production	E12CP			86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
	Transmission	E12CPT			86.8804%	6.0784%	7.0412%	0.0000%	100.0000%	
					Minn	No Dak			TOTAL	
Gas	Production	GDDAY			86.8025%	13.1975%			100.0000%	
<----Interchange Agreement Allocators---->										
Interchange Agreement Demand Allocators					NSPM CO	NSPW CO			TOTAL	
Electric	Production	36 month CP			83.8948%	16.1052%			100.0000%	
	Transmission	36 month CP			83.8948%	16.1052%			100.0000%	
3 Factor Utility Allocator(Common)										
					Electric	Gas				
					93.1721%	6.8279%			100.0000%	