

**Northern States Power Company
South Dakota Electric Jurisdiction
Transmission - Cost of Goods Sold**

Line No.	NSPM - Driver 00 Report Year 1 ALL IN	Dec-24
		SD Electric
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	

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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>	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	768,950
66	Transmission IA	
67	Transmission	15,516,898
68	Distribution	
69	Customer Accounting	
70	Customer Service & Information	
71	Sales, Econ Dvlp & Other	
72	<u>Administrative & General</u>	0
73	Total Operating Expenses	16,285,848
74		
75	Depreciation	
76	Amortization	

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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	16,285,848
92	Book Depreciation	
93	Amortization	
94	<u>Taxes Other than Income</u>	-
95	Total Before Tax Book Income	(16,285,848)
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	<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	Total Tax Deductions	

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115		
116	<u>State Taxes</u>	
117	State Taxable Income	(16,285,848)
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	(16,285,848)
126	Federal Income Tax Rate	<u>21.00%</u>
127	Federal Tax before Credits	(3,420,028)
128	<u>Less Federal Tax Credits</u>	-
129	Total Federal Income Taxes	(3,420,028)
130		
131	Total Taxes	
132	Total Taxes Other than Income	
133	Total Federal and State Income Taxes	(3,420,028)
134	Total Taxes	(3,420,028)
135		
136	Total Operating Revenues	
137	Total Expenses	12,865,820
138		
139	AFDC Debt	
140	AFDC Equity	-
141		
142	Net Income	(12,865,820)
143		
144	<u>Rate of Return (ROR)</u>	
145	Total Operating Income	(12,865,820)
146	<u>Total Rate Base</u>	-
147	ROR (Operating Income / Rate Base)	
148		
149	<u>Return on Equity (ROE)</u>	
150	Net Operating Income	(12,865,820)
151	Debt Interest (Rate Base * Weighted Cost of Debt)	
152	Earnings Available for Common	(12,865,820)

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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>	(12,865,820)
159	Operating Income Deficiency	12,865,820
160		
161	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823
162	<u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u>	16,285,848
163		
164	<u>Total Revenue Requirements</u>	
165	Total Retail Revenues	
166	<u>Revenue Deficiency</u>	<u>16,285,848</u>
167	Total Revenue Requirements	16,285,848
168		