

Northern States Power Company  
Electric Utility - Total Company and State of South Dakota  
Actual Year Ended December 31, 2024  
(\$000's)  
OVERALL COST OF SERVICE AT CLAIMED ADJUSTMENT AND RATE OF RETURN

Line No.		2024 HTY		
		Total	SD Electric	Other
1	<b><u>Composite Income Tax Rate</u></b>			
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	<b>Composite Tax Rate</b>	<b>21.00%</b>	<b>21.00%</b>	<b>21.00%</b>
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
7				
8	<b><u>Weighted Cost of Capital</u></b>			
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	<b>Required Rate of Return</b>	<b>7.56%</b>	<b>7.56%</b>	<b>7.56%</b>
21				
22	<b><u>Rate Base</u></b>			
23	Plant Investment	29,942,735	2,285,004	27,657,732
24	<u>Depreciation Reserve</u>	<u>13,121,291</u>	<u>920,879</u>	<u>12,200,412</u>
25	Net Utility Plant	16,821,444	1,364,124	15,457,320
26	CWIP	0		0
27				
28	Accumulated Deferred Taxes	3,301,976	251,109	3,050,866
29	DTA - NOL Average Balance	(44,888)	(17,341)	(27,546)
30	DTA - State Tax Credit Average Balance	(1,640)		(1,640)
31	DTA - Federal Tax Credit Average Balance	(935,237)	(67,966)	(867,271)
32	Total Accum Deferred Taxes	2,320,211	165,802	2,154,409
33				
34	Cash Working Capital	(125,216)	(3,421)	(121,795)
35	Materials and Supplies	221,609	15,527	206,082
36	Fuel Inventory	90,768	6,426	84,342
37	Non-plant Assets and Liabilities	108,322	5,841	102,481
38	Customer Advances	(14,485)	(3,438)	(11,047)
39	Customer Deposits	(31,607)	(48)	(31,560)
40	Prepays and Other	102,527	7,170	95,357
41	<u>Regulatory Amortizations</u>	<u>51,492</u>	<u>12,932</u>	<u>38,559</u>
42	Total Other Rate Base Items	403,410	40,990	362,420
43				
44	<b>Total Rate Base</b>	<b>14,904,643</b>	<b>1,239,313</b>	<b>13,665,330</b>
45				
46	<b><u>Operating Revenues</u></b>			
47	Retail	4,128,421	289,622	3,838,799
48	Interdepartmental			
49	<u>Other Operating Rev - Non-Retail</u>	<u>764,424</u>	<u>55,416</u>	<u>709,008</u>
50	<b>Total Operating Revenues</b>	<b>4,892,845</b>	<b>345,038</b>	<b>4,547,807</b>
51				

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Line No.		2024 HTY		
		Total	SD Electric	Other
52	<b><u>Expenses</u></b>			
53	Operating Expenses:			
54	Fuel	1,332,735	77,553	1,255,182
55	Deferred Fuel	5,980	71	5,909
56	Variable IA Production Fuel	8,087	572	7,514
57	<u>Purchased Energy - Windsource</u>	<u>15,814</u>	<u>0</u>	<u>15,814</u>
58	Fuel & Purchased Energy Total	1,362,616	78,196	1,284,420
59	Production - Fixed	487,074	34,672	452,402
60	Production - Fixed IA Investment			
61	Production - Fixed IA O&M	50,648	3,566	47,082
62	Production - Variable	4,960	356	4,604
63	Production - Variable IA O&M	6,301	446	5,855
64	<u>Production - Purchased Demand</u>	<u>159,759</u>	<u>11,249</u>	<u>148,510</u>
65	Production Total	708,742	50,289	658,452
66	Regional Markets	11,320	798	10,522
67	Transmission IA	151,156	10,643	140,513
68	Transmission	253,912	10,583	243,329
69	Distribution	114,259	7,446	106,813
70	Customer Accounting	72,749	4,991	67,758
71	Customer Service & Information	188,220	1,285	186,935
72	Sales, Econ Dvlp & Other	4,986	114	4,872
73	<u>Administrative &amp; General</u>	<u>304,433</u>	<u>21,604</u>	<u>282,830</u>
74	<b>Total Operating Expenses</b>	<b>3,172,394</b>	<b>185,949</b>	<b>2,986,445</b>
75				
76	Depreciation	1,004,644	77,259	927,385
77	Amortization	10,298	3,149	7,150
78				
79	<b><u>Taxes:</u></b>			
80	Property Taxes	256,702	13,587	243,115
81	ITC Amortization	(1,538)	(90)	(1,448)
82	Deferred Taxes	164,374	12,044	152,330
83	Deferred Taxes - NOL	(51,376)	(34)	(51,342)
84	Less State Tax Credits deferred			
85	Less Federal Tax Credits deferred	(448,488)	(31,750)	(416,738)
86	Deferred Income Tax & ITC	(337,028)	(19,830)	(317,198)
87	Payroll & Other Taxes	30,764	2,123	28,640
88	<b>Total Taxes Other Than Income</b>	<b>(49,563)</b>	<b>(4,120)</b>	<b>(45,442)</b>
89				
90	<b><u>Income Before Taxes</u></b>			
91	Total Operating Revenues	4,892,845	345,038	4,547,807
92	less: Total Operating Expenses	3,172,394	185,949	2,986,445
93	Book Depreciation	1,004,644	77,259	927,385
94	Amortization	10,298	3,149	7,150
95	<u>Taxes Other than Income</u>	<u>(49,563)</u>	<u>(4,120)</u>	<u>(45,442)</u>
96	<b>Total Before Tax Book Income</b>	<b>755,072</b>	<b>82,802</b>	<b>672,270</b>
97				

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Line No.		2024 HTY		
		Total	SD Electric	Other
98	<b><u>Tax Additions</u></b>			
99	Book Depreciation	1,004,644	77,259	927,385
100	Deferred Income Taxes and ITC	(337,028)	(19,830)	(317,198)
101	Nuclear Fuel Burn (ex. D&D)	105,269	7,412	97,857
102	Nuclear Outage Accounting	48,477	3,417	45,059
103	Avoided Tax Interest	40,196	2,243	37,953
104	<u>Other Book Additions</u>	<u>3,029</u>	<u>692</u>	<u>2,337</u>
105	<b>Total Tax Additions</b>	<b>864,587</b>	<b>71,194</b>	<b>793,393</b>
106				
107	<b><u>Tax Deductions</u></b>			
108	Total Rate Base	14,904,643	1,239,313	13,665,330
109	Weighted Cost of Debt	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
110	Debt Interest Expense	314,488	26,150	288,338
111	Nuclear Outage Accounting	57,698	4,068	53,630
112	Tax Depreciation and Removals	1,840,053	136,998	1,703,055
113	NOL Utilized / (Generated)	(183,241)	(121)	(183,120)
114	<u>Other Tax / Book Timing Differences</u>	<u>(38,056)</u>	<u>(2,643)</u>	<u>(35,413)</u>
115	<b>Total Tax Deductions</b>	<b>1,990,943</b>	<b>164,451</b>	<b>1,826,492</b>
116				
117	<b><u>State Taxes</u></b>			
118	State Taxable Income	(371,285)	(10,455)	(360,829)
119	State Income Tax Rate	-	-	-
120	State Taxes before Credits			
121	<u>Less State Tax Credits applied</u>	-	-	-
122	<b>Total State Income Taxes</b>			
123				
124	<b><u>Federal Taxes</u></b>			
125	Federal Sec 199 Production Deduction			
126	Federal Taxable Income	(371,285)	(10,455)	(360,829)
127	Federal Income Tax Rate	<u>0.02%</u>	<u>0.02%</u>	<u>0.02%</u>
128	Federal Tax before Credits	(77,970)	(2,196)	(75,774)
129	<u>Less Federal Tax Credits</u>	<u>25,715</u>	<u>25,715</u>	<u>0</u>
130	<b>Total Federal Income Taxes</b>	<b>(52,254)</b>	<b>23,520</b>	<b>(75,774)</b>
131				
132	<b>Total Taxes</b>			
133	Total Taxes Other than Income	(49,563)	(4,120)	(45,442)
134	Total Federal and State Income Taxes	(52,254)	23,520	(75,774)
135	<b>Total Taxes</b>	<b>(101,817)</b>	<b>19,399</b>	<b>(121,217)</b>
136				
137	<b>Total Operating Revenues</b>	<b>4,892,845</b>	<b>345,038</b>	<b>4,547,807</b>
138	<b>Total Expenses</b>	<b>4,085,519</b>	<b>285,756</b>	<b>3,799,763</b>
139				
140	AFDC Debt			
141	AFDC Equity			
142				
143	<b>Net Income</b>	<b>807,326</b>	<b>59,282</b>	<b>748,044</b>
144				

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Line No.		2024 HTY		
		Total	SD Electric	Other
145	<b><u>Rate of Return (ROR)</u></b>			
146	Total Operating Income	807,326	59,282	748,044
147	<u>Total Rate Base</u>	<u>14,904,643</u>	<u>1,239,313</u>	<u>13,665,330</u>
148	<b>ROR (Operating Income / Rate Base)</b>	0.01%	0.00%	0.01%
149				
150	<b><u>Return on Equity (ROE)</u></b>			
151	Net Operating Income	807,326	59,282	748,044
152	Debt Interest (Rate Base * Weighted Cost of Debt)	(314,488)	(26,150)	(288,338)
153	Earnings Available for Common	492,838	33,133	459,705
154	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>7,880,085</u>	<u>655,225</u>	<u>7,224,860</u>
155	<b>ROE (earnings for Common / Equity)</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>
156				
157	<b><u>Revenue Deficiency</u></b>			
158	Required Operating Income (Rate Base * Required Return)	1,126,791	93,692	1,033,099
159	<u>Net Operating Income</u>	807,326	59,282	748,044
160	<b>Operating Income Deficiency</b>	319,465	34,410	285,055
161				
162	Revenue Conversion Factor (1/(1--Composite Tax Rate))	0.001266	0.001266	0.001266
163	<b><u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u></b>	<b><u>404,386</u></b>	<b><u>43,557</u></b>	<b><u>360,829</u></b>
164				
165	<b><u>Total Revenue Requirements</u></b>			
166	Total Retail Revenues	4,128,421	289,622	3,838,799
167	<u>Revenue Deficiency</u>	<u>404,386</u>	<u>43,557</u>	<u>360,829</u>
168	Total Revenue Requirements	4,532,807	333,179	4,199,628

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Line No.		2024 HTY		
		Total	SD Electric	Other
1	<b><u>Composite Income Tax Rate</u></b>			
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	<b>Composite Tax Rate</b>	<b>21.00%</b>	<b>21.00%</b>	<b>21.00%</b>
6	Revenue Conversion Factor (1/(1--Composite Tax Rate))	1.265823	1.265823	1.265823
7				
8	<b><u>Weighted Cost of Capital</u></b>			
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	<b>Required Rate of Return</b>	<b>7.56%</b>	<b>7.56%</b>	<b>7.56%</b>
21				
22	<b><u>Rate Base</u></b>			
23	Plant Investment	28,463,617	2,081,408	26,382,210
24	<u>Depreciation Reserve</u>	<u>13,030,688</u>	<u>909,388</u>	<u>12,121,300</u>
25	Net Utility Plant	15,432,929	1,172,020	14,260,909
26	CWIP	0	0	0
27				
28	Accumulated Deferred Taxes	3,187,406	238,605	2,948,801
29	DTA - NOL Average Balance	(28,084)	(16,856)	(11,229)
30	DTA - State Tax Credit Average Balance	(1,640)		(1,640)
31	DTA - Federal Tax Credit Average Balance	(1,097,596)	(79,399)	(1,018,197)
32	Total Accum Deferred Taxes	2,060,086	142,351	1,917,736
33				
34	Cash Working Capital	(103,895)	(3,439)	(100,456)
35	Materials and Supplies	221,609	15,527	206,082
36	Fuel Inventory	90,768	6,426	84,342
37	Non-plant Assets and Liabilities	86,056	4,289	81,767
38	Customer Advances	(14,485)	(3,438)	(11,047)
39	Customer Deposits	(31,607)	(48)	(31,560)
40	Prepays and Other	102,527	7,170	95,357
41	<u>Regulatory Amortizations</u>	<u>2,882</u>	<u>2,882</u>	-
42	Total Other Rate Base Items	353,855	29,370	324,485
43				
44	<b>Total Rate Base</b>	<b>13,726,698</b>	<b>1,059,039</b>	<b>12,667,659</b>
45				
46	<b><u>Operating Revenues</u></b>			
47	Retail	4,108,342	269,543	3,838,799
48	Interdepartmental			
49	<u>Other Operating Rev - Non-Retail</u>	<u>737,308</u>	<u>50,091</u>	<u>687,217</u>
50	<b>Total Operating Revenues</b>	<b>4,845,650</b>	<b>319,634</b>	<b>4,526,016</b>
51				

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UNADJUSTED COST OF SERVICE

Line No.		2024 HTY		
		Total	SD Electric	Other
52	<b><u>Expenses</u></b>			
53	Operating Expenses:			
54	Fuel	1,332,707	77,525	1,255,182
55	Deferred Fuel	5,980	71	5,909
56	Variable IA Production Fuel	8,087	572	7,514
57	<u>Purchased Energy - Windsource</u>	<u>15,814</u>	<u>0</u>	<u>15,814</u>
58	Fuel & Purchased Energy Total	1,362,588	78,168	1,284,420
59	Production - Fixed	488,481	33,727	454,754
60	Production - Fixed IA Investment			
61	Production - Fixed IA O&M	50,648	3,566	47,082
62	Production - Variable	5,401	380	5,021
63	Production - Variable IA O&M	6,301	446	5,855
64	<u>Production - Purchased Demand</u>	<u>159,759</u>	<u>11,249</u>	<u>148,510</u>
65	Production Total	710,590	49,368	661,222
66	Regional Markets	11,319	797	10,522
67	Transmission IA	151,156	10,643	140,513
68	Transmission	261,760	18,431	243,329
69	Distribution	113,898	7,085	106,813
70	Customer Accounting	66,365	4,036	62,329
71	Customer Service & Information	188,314	1,289	187,025
72	Sales, Econ Dvlp & Other	4,748	63	4,684
73	<u>Administrative &amp; General</u>	<u>293,154</u>	<u>20,425</u>	<u>272,730</u>
74	<b>Total Operating Expenses</b>	<b>3,163,893</b>	<b>190,306</b>	<b>2,973,587</b>
75				
76	Depreciation	927,939	68,091	859,848
77	Amortization	22,680	1,614	21,066
78				
79	<b><u>Taxes:</u></b>			
80	Property Taxes	213,277	11,055	202,222
81	ITC Amortization	(1,243)	(70)	(1,173)
82	Deferred Taxes	108,010	7,551	100,458
83	Deferred Taxes - NOL	(17,770)	937	(18,707)
84	Less State Tax Credits deferred			
85	Less Federal Tax Credits deferred	(448,357)	(31,618)	(416,738)
86	Deferred Income Tax & ITC	(359,359)	(23,199)	(336,160)
87	Payroll & Other Taxes	30,801	2,124	28,676
88	<b>Total Taxes Other Than Income</b>	<b>(115,282)</b>	<b>(10,020)</b>	<b>(105,262)</b>
89				
90	<b><u>Income Before Taxes</u></b>			
91	Total Operating Revenues	4,845,650	319,634	4,526,016
92	less: Total Operating Expenses	3,163,893	190,306	2,973,587
93	Book Depreciation	927,939	68,091	859,848
94	Amortization	22,680	1,614	21,066
95	<u>Taxes Other than Income</u>	<u>(115,282)</u>	<u>(10,020)</u>	<u>(105,262)</u>
96	<b>Total Before Tax Book Income</b>	<b>846,420</b>	<b>69,643</b>	<b>776,778</b>
97				

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UNADJUSTED COST OF SERVICE

Line No.		2024 HTY		
		Total	SD Electric	Other
98	<b><u>Tax Additions</u></b>			
99	Book Depreciation	927,939	68,091	859,848
100	Deferred Income Taxes and ITC	(359,359)	(23,199)	(336,160)
101	Nuclear Fuel Burn (ex. D&D)	105,718	7,444	98,274
102	Nuclear Outage Accounting	48,477	3,417	45,059
103	Avoided Tax Interest	52,436	3,960	48,475
104	<u>Other Book Additions</u>	(4)	(4)	-
105	<b>Total Tax Additions</b>	775,206	59,709	715,496
106				
107	<b><u>Tax Deductions</u></b>			
108	Total Rate Base	13,726,698	1,059,039	12,667,659
109	Weighted Cost of Debt	0.00%	0.00%	0.00%
110	Debt Interest Expense	289,633	22,346	267,288
111	Nuclear Outage Accounting	57,698	4,068	53,630
112	Tax Depreciation and Removals	1,565,120	111,788	1,453,332
113	NOL Utilized / (Generated)	(63,379)	3,343	(66,722)
114	<u>Other Tax / Book Timing Differences</u>	(36,920)	(2,564)	(34,357)
115	<b>Total Tax Deductions</b>	1,812,152	138,981	1,673,171
116				
117	<b><u>State Taxes</u></b>			
118	State Taxable Income	(190,526)	(9,628)	(180,898)
119	State Income Tax Rate	-	-	-
120	State Taxes before Credits	-	-	-
121	<u>Less State Tax Credits applied</u>	-	-	-
122	<b>Total State Income Taxes</b>			
123				
124	<b><u>Federal Taxes</u></b>			
125	Federal Sec 199 Production Deduction			
126	Federal Taxable Income	(190,526)	(9,628)	(180,898)
127	Federal Income Tax Rate	0.02%	0.02%	0.02%
128	Federal Tax before Credits	(40,010)	(2,022)	(37,988)
129	<u>Less Federal Tax Credits</u>	(132)	(132)	(0)
130	<b>Total Federal Income Taxes</b>	(40,142)	(2,154)	(37,988)
131				
132	<b>Total Taxes</b>			
133	Total Taxes Other than Income	(115,282)	(10,020)	(105,262)
134	Total Federal and State Income Taxes	(40,142)	(2,154)	(37,988)
135	<b>Total Taxes</b>	(155,424)	(12,174)	(143,251)
136				
137	<b>Total Operating Revenues</b>	4,845,650	319,634	4,526,016
138	<b>Total Expenses</b>	3,959,088	247,837	3,711,250
139				
140	AFDC Debt			
141	AFDC Equity			
142				
143	<b>Net Income</b>	886,563	71,797	814,766
144				

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Line No.		2024 HTY		
		Total	SD Electric	Other
145	<b><u>Rate of Return (ROR)</u></b>			
146	Total Operating Income	886,563	71,797	814,766
147	<u>Total Rate Base</u>	<u>13,726,698</u>	<u>1,059,039</u>	<u>12,667,659</u>
148	<b>ROR (Operating Income / Rate Base)</b>	0.01%	0.01%	0.01%
149				
150	<b><u>Return on Equity (ROE)</u></b>			
151	Net Operating Income	886,563	71,797	814,766
152	Debt Interest (Rate Base * Weighted Cost of Debt)	(289,633)	(22,346)	(267,288)
153	Earnings Available for Common	596,929	49,451	547,478
154	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	<u>7,257,305</u>	<u>559,914</u>	<u>6,697,391</u>
155	<b>ROE (earnings for Common / Equity)</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>
156				
157	<b><u>Revenue Deficiency</u></b>			
158	Required Operating Income (Rate Base * Required Return)	1,037,738	80,063	957,675
159	<u>Net Operating Income</u>	886,563	71,797	814,766
160	<b>Operating Income Deficiency</b>	151,176	8,267	142,909
161				
162	Revenue Conversion Factor (1/(1--Composite Tax Rate))	0.001266	0.001266	0.001266
163	<b><u>Revenue Deficiency (Income Deficiency * Conversion Factor)</u></b>	<b><u>191,362</u></b>	<b><u>10,464</u></b>	<b><u>180,898</u></b>
164				
165	<b><u>Total Revenue Requirements</u></b>			
166	Total Retail Revenues	4,108,342	269,543	3,838,799
167	<u>Revenue Deficiency</u>	<u>191,362</u>	<u>10,464</u>	<u>180,898</u>
168	Total Revenue Requirements	4,299,704	280,007	4,019,697