

Summary of Proposed Rates vs Current Rates

Tariff	Description of Rate	Current Rate	Proposed Rate	Change
Occasional Delivery Energy Service	Metering Charge	\$3.75	\$3.75	\$0.00
	Energy Payment per kWh	\$0.0360	\$0.0316	-\$0.0044
Time of Delivery Energy Service	Metering Charge	\$4.75	\$4.75	\$0.00
	On Peak Energy Payment per kWh	\$0.0471	\$0.0397	-\$0.0074
	Off Peak Energy Payment per kWh	\$0.0302	\$0.0272	-\$0.0030
	Capacity Payment per On Peak kWh	\$0.0056	\$0.0082	\$0.0026

Derivation of Metering Costs**Occasional Delivery Energy Service**

Standard kWh Meter	Single Phase
(1) Installed Cost	\$153.26
(2) L.A.R.R.	8.79%
(3) Levelized Cost (1)*(2)	\$13.48
(4) Accounting Expenses \$/Cust/Yr	\$37.73
(5) Total Annual (3)+(4)	\$51.21
(6) Total Monthly (5)/12	\$4.27
	Proposed \$3.75
	Current \$3.75

Time of Delivery Energy Service

TOD kW/kWh Meter	Single Phase
(7) Installed Cost	\$217.36
(8) Levelized Cost (7)*(2)	\$19.11
(9) Total Annual (8)+(4)	\$56.84
(10) Total Monthly (9)/12	\$4.74
	Proposed \$4.75
	Current \$4.75

Source:

(1)(7) Data provided by NSP Metering Dept.

(2) Based on cost of capital on page 4

(4) Based on NSP ECCOSS Workpapers (Docket No. EL22-017)

Derivation of Energy Payments**Occasional Delivery Energy Service****Annual Average**

(1) Estimated System Average Incremental Energy Costs for 2025 (¢/kWh)	3.046
(2) Energy Loss Factors	0.96516
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses (1)/(2)	3.16
(4) In \$/KWh (3)/100	\$0.0316

Time of Delivery Energy Service

	Annual On Peak	Annual Off Peak
(1) Estimated System Average Energy Costs for 2025 (¢/kWh)	3.818	2.632
(2) Energy Loss Factors	0.9613	0.9672
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses (1)/(2)	3.97	2.72
(4) In \$/KWh (3)/100	\$0.0397	\$0.0272

Source:

Incremental Energy Cost Data provided by Xcel Energy's Generation Modeling Services.

Calculation of Net Annual Avoided Capacity Costs

	[PROTECTED DATA BEGINS]	
(1) Completed Cost of C.T. Unit (2025 \$)	[REDACTED]	/kW
(2) Inflation Net of Technical Progress	2.45%	
(3) Average Service Life	40	Years
(4) Discount Rate (After Tax)	[REDACTED]	
Calculation of Marginal Capital Carry Charge Rate		
(5) Present Value of Revenue Requirements (2025)	[REDACTED]	/kW
(6) Annuity Factor Adjustment for Inflation **	5.07%	
(7) Present Value of Revenue Requirements Adjusted for Inflation (5)*(6)	[REDACTED]	/kW
(8) Marginal Capital Carrying Charge Rate (7)/(1)	[REDACTED]	
(9) First Year Revenue Requirement (1)*(8)	[REDACTED]	/kW
(10) Present Value at (4) for 0 years	[REDACTED]	/kW
(11) Present Value of Average Annual Fuel Savings	[REDACTED]	/kW
(12) Annual Avoided Capacity Cost (10)-(11)	[REDACTED]	/kW
(13) Adjusted for 15% Reserve Margin (12)*1.15	[REDACTED]	/kW
(14) Plus Fixed O & M \$/kW (2025 \$) (13)+O&M	[REDACTED]	/kW
(15) Adjusted for losses (14)*(1+(1-0.9652))	[REDACTED]	/kW
(16) NET ANNUAL AVOIDED CAPACITY COST	\$71.81	/kW
(17) Net Annual Avoided Capacity Cost Average Over All Hours (16)*100/8760	0.820	¢/kWh
(18) In \$/KWh (17)/100	\$0.0082	/kWh

** $AC = (r-j) \cdot (1+j)^{(t-1)} \cdot [1 / (1-(1+j)^n / (1+r)^n)]$
Where AC = Annual Charge in year t
t = Year (=1)
K = Total Present Value Cost of Original Investment
r = Discount Rate (Overall Marginal Cost of Capital) (see Line (4))
j = Inflation Rate Net of Technology Progress (2.45%)
n = Expected Service Life of Investment (40 Years)

Marginal Cost of Capital*(Before Tax)*

	Capitalization Ratio (%)	Cost (%)	Weighted (%)
	[PROTECTED DATA BEGINS]		
Debt			
Preferred Equity			
Common Equity			
	PROTECTED DATA ENDS]		
Weighted Average	100.00%		6.82% *

(After Tax)

	Capitalization Ratio (%)	Cost (%)	Weighted (%)
	[PROTECTED DATA BEGINS]		
Debt			
Preferred Equity			
Common Equity			
	PROTECTED DATA ENDS]		
Weighted Average	100.00%		6.41%

* SD Commission approval of settlement in Docket No. EL22-017.

Source:

Information based on Company's 2022 Rate Case settlement (Confidential).