

Xcel Energy
South Dakota Capital Structure
Carrying Charge Calculation

State of South Dakota Jurisdiction
2009 Rate Case-Docket EL-09-009

Base Assumptions

Weighted Cost of Capital	
Weighted Cost of Capital	8.32%

Book Depreciation Rate	30 years	3.33%
Tax Depreciation Life - MACRS	20 years	
Composite SD Tax Rate =	35.0000%	
Composite Company Tax Rate =	40.8481%	
Property Tax Exempt =	0.000%	

Use these values beginning January 1, 2011:

(b) Composite SD Tax Rate 35.0000%

(c) Carrying Charge Rate =

[CONFIDENTIAL DATA HAS BEEN EXCISED]

Annual Revenue Requirements Factor (Rate Base Factor)
 = $\{ \text{Overall Rate of Return} - (\text{Weighted Debt Cost} \times \text{Tax Rate}) \} / (1 - \text{Tax Rate})$
 =
 =

Monthly Revenue Requirements Factor
 = $\{ (1 + \text{Annual Revenue Requirements Factor})^{(1/12)} \} - 1$
 =
 =

Carrying Charge Rate =

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Xcel Energy
South Dakota Capital Structure
Carrying Charge Calculation

State of South Dakota Jurisdiction
2011 Rate Case-Docket EL-11-019
Base Assumptions

Weighted Cost of Capital	
Weighted Cost of Capital	7.79%

Book Depreciation Rate	30 years	3.33%
Tax Depreciation Life - MACRS	20 years	
Composite SD Tax Rate =	35.0000%	
Composite Company Tax Rate =	40.8481%	
Property Tax Exempt =	0.000%	

Use these values beginning August 1, 2012:	
(b) Composite SD Tax Rate	35.0000%
(c) Carrying Charge Rate =	
Annual Revenue Requirements Factor (Rate Base Factor)	
= {Overall Rate of Return - (Weighted Debt Cost x Tax Rate)} / (1 - Tax Rate)	
= {0.0779 - (0.0288 x 0.35)} / (1 - 0.35)	
= 0.1043	
Monthly Revenue Requirements Factor	
= {(1 + Annual Revenue Requirements Factor) ^(1/12) - 1	
= {(1 + 0.1043) ^(1/12) - 1	
= 0.008305	
Carrying Charge Rate =	0.008305

Xcel Energy
2012 South Dakota DSM Tracker

2011/2012	2011		2012										Total		
	November	December	January	February	March	April	May	June	July	August	September	October		November	December
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1. Beg. Balance															
2. DSM Program Expenditures															
3. Total Incentive * (Line 2 x 30%)															
4. Total Expenditures + Incentive (Line 2 + 3)															
5. DSM Adjustment Factor (\$/MWh)															
6. Total Cost Recovery															
7. Sub-Balance (Over/Under Recovery) (Line 1 + 4, minus Line 6)															
8. Accumulated Deferred Income Tax (Line 7 x 35%)															
9. Net Investment (Line 7 - 8)															
10. Carrying Charge Rate															
11. Carrying Charge (Line 9 x Line 10)															
12. End of Month Balance (Line 7 + 11)															
															CONFIDENTIAL DATA HAS BEEN EXCISED

* The January incentive is calculated as 30% of spend from Nov. 2011 through Jan. 2012. The DSM Incentive cap was reached in 2012 so the December incentive represents only 29% of that month's spend.