

(1)

(62)

Line No.	10 Bridge Schedule by Adjustment Detail	NSPM-Wage Adjustment
1	<b>Composite Income Tax Rate</b>	
2	Federal Effective Tax Rate	35.00%
3	Revenue Conversion Factor (1/(1-Composite	1.538462
4		
5	<b>Required Rate of Return</b>	<b>7.84%</b>
6		
7	<b>Rate Base</b>	
8	Plant Investment	
9	Depreciation Reserve	-
10	Net Utility Plant	
11		
12	Accumulated Deferred Taxes	
13	Total Accum Deferred Taxes	
14		
15		
16	<b>Total Rate Base</b>	
17		
18	<b>Operating Revenues</b>	
19	Retail	
20	Interdepartmental	
21	Other Operating Rev - Non-Retail	-
22	<b>Total Operating Revenues</b>	
23		
24	<b>Expenses</b>	
25	Operating Expenses:	
26	Customer Accounting	
27	Customer Service & Information	
28	Sales, Econ Dvlp & Other	
29	Administrative & General	801,716
30	<b>Total Operating Expenses</b>	<b>801,716</b>
31		
32	Depreciation	
33	Amortization	
34		
35	<b>Taxes:</b>	
36	Property Taxes	
37	ITC Amortization	
38	Deferred Taxes	
39	Less Deferred State Tax Credits	
40	Less Deferred Federal Tax Credits	-
41	Deferred Income Tax & ITC	
42	Payroll & Other Taxes	
43	<b>Total Taxes Other Than Income</b>	
44		
45	<b>Income Before Taxes</b>	
46	Total Operating Revenues	
47	less: Total Operating Expenses	801,716
48	Book Depreciation	
49	Amortization	
50	Taxes Other than Income	-
51	<b>Total Before Tax Book Income</b>	<b>(801,716)</b>
52		
53	<b>Tax Additions</b>	
54	Book Depreciation	
55	Deferred Income Taxes and ITC	
56	Nuclear Fuel Burn (ex. D&D)	
57	Nuclear Outage Accounting	
58	Avoided Tax Interest	
59	Other Book Additions	-
60	<b>Total Tax Additions</b>	
61		
62	<b>Tax Deductions</b>	
63	Total Rate Base	
64	Weighted Cost of Debt	2.32%
65	Debt Interest Expense	
66	Nuclear Outage Accounting	
67	Tax Depreciation and Removals	
68	Federal Sec 199 Production Deduction	
69	Other Tax / Book Timing Differences	-
70	<b>Total Tax Deductions</b>	
71		

(1)

(62)

Line No.	10 Bridge Schedule by Adjustment Detail	NSPM-Wage Adjustment
72	<b>State Taxes</b>	
73	State Taxable Income	(801,716)
74	State Income Tax Rate	-
75	State Taxes before Credits	-
76	Less State Tax Credits	-
77	<b>Total State Income Taxes</b>	
78		
79	<b>Federal Taxes</b>	
80	Federal Taxable Income	(801,716)
81	Federal Income Tax Rate	<u>35.00%</u>
82	Federal Tax before Credits	(280,601)
83	Less Federal Tax Credits	
84	<b>Total Federal Income Taxes</b>	(280,601)
85		
86	<b>Total Taxes</b>	
87	Total Taxes Other than Income	
88	<u>Total Federal and State Income Taxes</u>	<u>(280,601)</u>
89	<b>Total Taxes</b>	(280,601)
90		
91	<b>Total Operating Revenues</b>	
92	<b>Total Expenses</b>	<b>521,115</b>
93		
94	<b>Net Income</b>	<b><u>(521,115)</u></b>
95		
96	<b>Rate of Return (ROR)</b>	
97	Total Operating Income	(521,115)
98	<u>Total Rate Base</u>	-
99	<b>ROR (Operating Income / Rate Base)</b>	
100		
101	<b>Return on Equity (ROE)</b>	
102	Net Operating Income	(521,115)
103	Debt Interest (Rate Base * Weighted Cost of L	
104	Earnings Available for Common	(521,115)
105	<u>Equity Rate Base (Rate Base * Equity Ratio)</u>	-
106	<b>ROE (earnings for Common / Equity)</b>	
107		
108	<b>Revenue Deficiency</b>	
109	Required Operating Income (Rate Base * Rec	
110	<u>Net Operating Income</u>	<u>(521,115)</u>
111	<b>Operating Income Deficiency</b>	<b>521,115</b>
112		
113	<u>Revenue Conversion Factor (1/(1-Composite</u>	<u>1.538462</u>
114	<b>Revenue Deficiency (Income Deficiency * F</b>	<b><u>801,716</u></b>
115		
116	<b>Total Revenue Requirements</b>	
117	Total Retail Revenues	
118	<u>Revenue Deficiency</u>	<u>801,716</u>
119	<b>Total Revenue Requirements</b>	<b>801,716</b>
120		
121	Required Rate of Return, Last Authorized	7.78%
122	Revenue Deficiency at Last Authorized	801,716
123	Total Revenue Requirements at Last Authoriz	801,716
124		
125	Difference in Deficiency from Last Authorized 1	

**South Dakota Electric Rate Case (HTY 2013)**  
**Wage Adjustment**

Wage Increase

Union	\$450,938
Non-Union	\$350,778
Total	<u>\$801,716</u>

PTD %	
58.69%	\$470,527
11.60%	\$92,999
29.71%	<u>\$238,190</u>
	<u>\$801,716</u>

## Union Wage Increase Summary

### Description

2013 Base O&M Union Wage	142,908,172
2014 Actual % Increase per contract	2.60%
Estimated 2014 Actual Merit Increase	3,715,612
2014 Base O&M Union Wage	146,623,784
2015 Actual % Increase per contract	2.50%
Estimated 2015 Actual Merit Increase	3,665,595
State of SD Avg Allocation Factor	6.11%
State of SD 2014 O&M Merit Increase (Union)	226,997
State of SD 2015 O&M Merit Increase (Union)	223,941
Total State of SD 2014-15 O&M Merit Increase (Union)	<u>\$450,938</u>

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**Non-Union Wage Increase Summary**

Description

2013 Base O&M Non-Union Wage	196,858,997	
2014 Average Actual % Increase	3.00%	
Estimated 2014 Actual Merit Increase (10 / 12ths)	4,921,475	
2014 Base O&M Union Wage	201,780,472	
2015 Budgeted % Increase	0.00%	No guaranteed wage increase in 2015 for non-union employees
Estimated 2015 Actual Merit Increase (2/12th)	820,246	2014 wage increase would be in effect for 2 months of 2015
State of SD 2013 Actual Labor Allocators	6.11%	
State of SD 2014 O&M Merit Increase (Non Union)	300,667	
State of SD 2015 O&M Merit Increase (Non Union)	50,111	
Total State of SD 2014-15 O&M Merit Increase (Union)	<u>\$350,778</u>	

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**NORTHERN STATES POWER CO**

Actual 2013 Data

O&M Labor Ratios - INCLUDING A&G

- From 2013 Actual ALS Gas & Electric Labor Pages

Utility	Minnesota	North Dakota	South Dakota	Wholesale	TOTAL	
Electric	482,986,974	33,770,854	33,639,422	231,280	550,628,530	93.166%
Gas	36,549,797	3,842,254	-	-	40,392,051	6.834%
<b>Total</b>	<b>519,536,771</b>	<b>37,613,108</b>	<b>33,639,422</b>	<b>231,280</b>	<b>591,020,581</b>	<b>100.000%</b>

Electric	87.716%	6.133%	6.109%	0.042%	100.000%
Gas	90.488%	9.512%	0.000%	0.000%	100.000%

**NORTHERN STATES POWER CO**

Actual 2013 Data

O&M Labor Ratios - EXCLUDING A&G

- From 2013 Actual ALS Gas & Electric Labor Pages

Utility	Minnesota	North Dakota	South Dakota	Wholesale	TOTAL	
Electric	344,793,780	24,096,840	23,998,641	170,622	393,059,883	93.60150%
Gas	24,277,716	2,591,430	-	-	26,869,146	6.39850%
<b>Total</b>	<b>369,071,496</b>	<b>26,688,270</b>	<b>23,998,641</b>	<b>170,622</b>	<b>419,929,029</b>	<b>100.000%</b>

Electric	87.720%	6.131%	6.106%	0.043%	100.000%
Gas	90.355%	9.645%	0.000%	0.000%	100.000%

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