

| <u>Line</u> | <u>Description</u> | <u>Amount</u> |
|-------------|--|-------------------------|
| | (a) | (b) |
| 1 | Equity AFUDC (net of depreciation) | \$ (404,311) |
| 2 | Federal Income Tax Rate | 35.00% |
| 3 | Total Company Federal Income Tax Adjustment | <u>(141,509)</u> |
| 4 | TOTPLTCUS SD Allocation | <u>81.276%</u> |
| 5 | SD Federal Income Tax Adjustment | <u>(115,013)</u> |
| 6 | Tax Return True Up 2012 and DIT True Up | (1,116,039) |
| 7 | Tax effect of I/C Interest Expense | 683,125 |
| 8 | Remove: Non-Operating Income Tax Expense (Benefit) | (57,373) |
| 9 | Miscellaneous Tax Adjustment | 7,557 |
| 10 | Total Company Federal Income Tax Adjustment | <u>(482,730)</u> |
| 11 | TOTPLTCUS SD Allocation | <u>81.276%</u> |
| 12 | SD Federal Income Tax Adjustment | <u>(392,343)</u> |
| 13 | Total SD Federal Income Tax Adjustment | <u><u>(507,356)</u></u> |

Sources:

Column b, lines 1, 6, 7, 8, & 9: Statement K, pages 1 & 2, column d
Column b, line 2: effective tax rate
Column b, line 3: line 1 * line 2
Column b, line 4: Schedule N-1
Column b, line 5: line 3 * line 4
Column b, line 10: sum of lines 6-9
Column b, line 11: Schedule N-1
Column b, line 12: line 10 * line 11
Column b, line 13: line 5 + line 12