

Line	Description (a)	Settlement	NWE Proposed	Difference
		South Dakota - Electric Adjusted Test Year (b)	South Dakota - Electric Adjusted Test Year (c)	
1	Average Rate Base	\$ 557,307,014	\$ 447,397,986	\$ 109,909,028
2	Operating Income with Present Rates	21,356,760	17,512,719	3,844,041
3	Earned Rate of Return	3.832%	3.914%	
4	Allowable Rate of Return	7.237%	7.760%	
5	Required Operating Income	40,332,309	34,718,084	5,614,225
6	Income Deficiency (Excess)	18,975,549	17,205,365	1,770,184
7	Gross Revenue Conversion Factor	1.53846	1.53846	
8	Revenue Deficiency (Excess)	29,193,152	26,469,792	2,723,360
9	Gross Receipts Tax (at 0.0014)	40,870	39,764	1,106
10	Total Revenue Deficiency (Excess)	29,234,022	26,509,556	2,724,466
11	Revenue with Present Rates	127,053,528	126,984,665	68,863
12	Revenue Requirement	\$ 156,287,550	\$ 153,494,221	\$ 2,793,328
<u>NET IMPACT TO RATEPAYERS</u>				
13	2016 QF contracts savings to Fuel Clause	\$ 8,314,709	\$ -	\$ 8,314,709
14	PTCs in Fuel Clause	11,839,372	-	11,839,372
15	Beethoven Property Taxes	(386,085)	-	(386,085)
16	Base Rate Increase	40,687,309	26,509,556	14,177,753
17	Net Impact to Ratepayers	\$ 20,919,313	\$ 26,509,556	\$ (5,590,243)

SOURCES:

Column b, line 1: PJS-2, Schedule 1, page 1, column d, line 31
Column b, line 2: PJS-1, Schedule 2, page 1, column d, line 29
Column b, line 3: Line 2 divided by line 1
Column b, line 4: BLC-1, Schedule 1, column d, line 3
Column b, line 5: Line 1 * line 4
Column b, line 6: Line 5 less line 2
Column b, line 7: Effective FIT Rate / Inverse + 1
Column b, line 8: Line 6 * line 7
Column b, line 9: Line 8 * 0.0014
Column b, line 10: Line 8 plus line 9
Column b, line 11: PJS-1, Schedule 2, page 1, column d, line 1
Column b, line 12: Line 11 plus line 10
Column b, line 13: Company response to DR 7-6
Column b, line 14: BAM-5, col. (e), line 33 * .35/.65 + 1
Column b, line 15: - PJS-1 Sch. 3, col. (ai), line 18
Column b, line 16: line 10 + line 14
Column b, line 17: line 16 less line 13 less line 14

Column c, line 1: Statement M, column e, line 21
Column c, line 2: Statement M, column e, line 19
Column c, line 3: Line 2 divided by line 1
Column c, line 4: Statement M, column g, line 23
Column c, line 5: Line 1 * line 4
Column c, line 6: Line 5 less line 2
Column c, line 7: Effective FIT Rate / Inverse + 1
Column c, line 8: line 6 * line 7
Column c, line 9: Statement M, column f, line 13
Column c, line 10: Line 8 plus line 9
Column c, line 11: Statement M, column e, line 2
Column c, line 12: Line 11 plus line 10
Column c, lines 16 & 17: line 10