

| Line | Description                                   | Total SD Electric<br>Amount |
|------|---|-----------------------------|
|      | (a)   | (b)                         |
| 1    | Investment To Be Financed (Average Rate Base) | \$ 64,668,632               |
| 2    | Weighted Cost of Debt                         | <u>2.290%</u>               |
| 3    | Synchronized Interest Expense                 | 1,480,912                   |
| 4    | Interest Expense as filed                     | <u>1,000,395</u>            |
| 5    | Difference In Interest Expense                | 480,517                     |
| 6    | Federal Income Tax Adjustment (35%)           | <b>\$ (168,181)</b>         |

**SOURCES:**

Column b, line 1: PJS-2 Sch 1, column d, line 33  
Column b, line 2: BLC-1 Sch 1, line 1  
Column b, line 3: line 1 \* line 2  
Column b, line 4: Exhibit RRT 1.1, WP RRT 4, page 1, line 7  
Column b, line 5: line 3 less line 4  
Column b, line 6: - line 5 \* 35%