

Line	Description	Settlement	MEC Proposed	Difference
		South Dakota - Electric Adjusted Test Year	South Dakota - Electric Adjusted Test Year	
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 64,668,632	\$ 66,588,000	\$ (1,919,368)
2	Operating Income with Present Rates	4,054,194	4,021,000	33,194
3	Earned Rate of Return	6.269%	6.039%	
4	Allowable Rate of Return	6.920%	7.596%	
5	Required Operating Income	4,475,069	5,058,024	(582,955)
6	Income Deficiency (Excess)	420,875	1,037,024	(616,149)
7	Gross Revenue Conversion Factor	1.53846	1.53846	
8	Revenue Deficiency (Excess)	647,500	1,595,422	(947,922)
9	Gross Receipts Tax (at 0.0015)	971	2,000	(1,029)
10	<b>Total Revenue Deficiency (Excess)</b>	<b>648,471</b>	<b>1,597,422</b>	(948,951)
11	Revenue with Present Rates	11,493,382	11,456,000	37,382
12	<b>Revenue Requirement</b>	<b>\$ 12,141,853</b>	<b>\$ 13,053,422</b>	<b>\$ (911,569)</b>

**SOURCES:**

Column b, line 1: PJS-2, Schedule 1, page 1, column d, line 33  
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 4  
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 \* 0.0015  
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 c, line 1: Statement M, line 1  
Column c, line 2: Statement M, line 4  
Column c, line 3: Line 2 divided by line 1  
Column c, line 4: Statement M, line 2  
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, line 11  
Column c, line 10: Line 8 plus line 9  
Column c, line 11: Exhibit RRT 1.1 Schedule 2  
Column c, line 12: Line 11 plus line 10