

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA ELECTRIC O&M
MATERIALS**

Materials

Sum of Amount		Charging Responsibility Descri	Ledger Type		Change	% Change	
Object	Charging F		2014 Actual	2015 Budget			
5300	115	Rocky Mountain Region Manager	161,689	232,439	70,750	43.8%	No allocation to SD Elec
	125	Dak Heartland Region Manager	491,137	540,000	48,863	9.9%	No Review - Small allocation to SD EL
	135	Black Hills Region Manager	126,076	175,000	48,924	38.8%	No allocation to SD Elec
	155	Badlands Manager	224,884	288,063	63,180	28.1%	Review
	165	Glendive District Manager	298,315	270,203	(28,112)	-9.4%	No allocation to SD Elec
	205	Minot District Manager	133,083	140,000	6,917	5.2%	No allocation to SD Elec
	215	Mobridge District Manager	112,161	130,000	17,839	15.9%	Review
	235	Sheridan District Manager	131,531	108,000	(23,531)	-17.9%	No allocation to SD Elec
	245	Williston District Manager	317,013	515,701	198,688	62.7%	No allocation to SD Elec
	255	Wolf Point District Manager	86,372	110,739	24,367	28.2%	No Review - Small allocation to SD EL
	285	Jamestown District Manager	112,036	105,000	(7,036)	-6.3%	No allocation to SD Elec
	302	Northern Hills District	34,847	45,000	10,153	29.1%	No Review - Small allocation to SD EL
	405	Great Plains Manager	173,799	200,000	26,201	15.1%	No allocation to SD Elec
	721	IT Risk Mgt	466	600	134	28.9%	No Review - Small allocation to SD EL
	810	Heskest Station Manager	795,930	1,120,300	324,370	40.8%	Review - Fuel treatment
	820	Lewis & Clark Station Manager	656,859	544,500	(112,359)	-17.1%	Review
	851	Glendive Turbine	69,354	97,500	28,146	40.6%	Review - no change
	852	Miles City Turbine	7,083	166,000	160,917	2271.8%	Review - no change
	855	Portable Generators	6,294	6,000	(294)	-4.7%	Review - no change
	856	Diamond Willow Wind	97,425	115,000	17,575	18.0%	See individual station analysis
	857	Glen Ulin Ormat Station	46,771	175,236	128,465	274.7%	Review - no change
	858	Cedar Hills Wind Farm	75,839	60,000	(15,839)	-20.9%	See individual station analysis
	881	Power Production	471	384	(87)	-18.5%	No Review - Small allocation to SD EL
	884	Electric Transmission Eng.	403,487	322,500	(80,987)	-20.1%	Review
	887	Dir. of Distrib. Engineering	237,446	240,000	2,554	1.1%	No Review - Small allocation to SD EL
	888	Communications	106,605	125,950	19,345	18.1%	Review
	920	Office Services	17,482	16,520	(962)	-5.5%	No Review - Small allocation to SD EL
	951	GIS Department	12	1,800	1,788	15077.1%	No Review - Small allocation to SD EL
	962	Buildings and Grounds	38,838	28,400	(10,438)	-26.9%	Review
	963	VP Human Resources	9		(9)	-100.0%	No Review - Small allocation to SD EL
	964	Mobile Services Manager	2,967	1,700	(1,267)	-42.7%	No Review - Small allocation to SD EL
			4,966,282	5,884,536	918,254	18.5%	
			4,966,282	5,884,536			

	SD EL Only		F&PP	502-557	560-579	580-899	900-910	920-935				
	2014	Pro forma		Prod	Trans	Dist	Cust Acct.	A&G				
125	1,863	\$1,863	1/			15	238	1,610	0			
155	4,781	6,125	3/			23	5,683	3	416	1,344	28.1%	
215	41,995	41,995	4/			85	40,796	26	1,088	0		
255	78	78	1/			78				0		
302	58	58	1/				58			0		
721	17	17	1/						17	0		
810	44,860	52,601	2/	1,483	51,118					7,741		
820	35,760	29,825	2/	142	29,683					(5,935)		
851	3,835	3,835	1/		3,835					0		
852	380	380	1/		380					0		
855	341	341	1/		341					0		
856	5,403	6,045	2/		6,045					642		
857	2,639	2,639	1/		2,639					0		
858	4,161	3,391	2/		3,391					(770)		
881	25	25	1/		21					0		
884	91,803	73,351	5/			73,346				5	(18,452)	-20.1%
887	2,502	2,502	1/			363	2,139				0	
888	5,419	6,400	6/		261	2,556	169			3,414	981	18.1%
920	672	672	1/							672	0	
951	0	0	1/								0	
962	1,475	1,079	7/							1,079	(397)	-26.9%
963	0	0	1/								0	
964	105	105	1/						105		0	
Other	0	0									0	
	248,173	233,327		1,625	97,714	76,466	49,092	134	8,296	(14,846)		

Summary: 5300 Only	2014	Pro forma	Adjustment
F&PP	\$1,625	\$1,625	0
Production	95,996	97,714	1,718
Transmission	94,520	76,466	(18,054)
Distribution	47,820	49,092	1,272
Customer Acct.	133	134	1
A&G	8,079	8,296	217
Total	\$248,173	\$233,327	(14,846)

- 1/ No change.
- 2/ Please see details and allocation listed below by responsibility number.
- 3/ Annualized Jan-May 2015 greater than 2014. Use 2015 budget increase percentage.
- 4/ Annualized Jan-May 2015 slightly greater than 2014. No change.
- 5/ Decrease caused by no major transmission line maintenance in 2015. Use 2015 percentage decrease.
- 6/ Increase due to expenses previously capitalized now charge to expense; expenses are primarily electric. Use 2015.
- 7/ 2014 included replacement of compresor - non recurring. Use 2015 budget.

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<u>810</u> <u>Heskett Station Manager</u>	
Increase for 2015	\$150,000
Allocate to electric	100.000000%
Allocation to SD: Factor 15-Integrated System Peak Demand	<u>5.160705%</u>
Increase to South Dakota Electric	<u>\$7,741</u>

Fuel treatment to prevent boiler slagging is estimated at \$150,000

<u>820</u> <u>Lewis & Clark Station Manager</u>	
Increase for 2015	(\$115,008)
Allocate to electric	100.000000%
Allocation to SD: Factor 15-Integrated System Peak Demand	<u>5.160705%</u>
Increase to South Dakota Electric	<u>(\$5,935)</u>

Materials show decrease for 2015 budget.

<u>856</u> <u>Diamond Willow Wind</u>	
Increase for 2015	\$12,500
Allocate to electric	100.000000%
Allocation to SD: Factor 271-Integrated Peak and Energy	<u>5.133093%</u>
Increase to South Dakota Electric	<u>\$642</u>

Additional main material for aging turbines

<u>858</u> <u>Cedar Hills Wind Farm</u>	
Increase for 2015	(\$15,000)
Allocate to electric	100.000000%
Allocation to SD: Factor 271-Integrated Peak and Energy	<u>5.133093%</u>
Increase to South Dakota Electric	<u>(\$770)</u>

Based on prior year averages, reduce to average around \$60k for materials a year