

**MONTANA-DAKOTA UTILITIES CO.  
 AD VALOREM TAXES  
 ELECTRIC UTILITY - SOUTH DAKOTA  
 TWELVE MONTHS ENDING DECEMBER 31, 2014  
 ADJUSTMENT NO. 32**

<u>Function</u>	<u>Effective Tax Rate</u>	<u>Pro Forma</u>		<u>Per Books Ad Valorem Tax</u>	<u>Pro Forma Adjustment</u>
		<u>Plant Balance 1/</u>	<u>Ad Valorem Tax</u>		
Production	0.6672%	\$25,129,251 2/	\$167,662	\$102,611	\$65,051
Transmission	0.5805%	15,676,065	91,000	87,802	3,198
Distribution	0.9430%	16,098,289	151,807	147,791	4,016
General	1.5137%	2,224,230	33,668	30,786	2,882
Common	1.3034%	1,467,585	19,129	18,105	1,024
Intangible	0.1506%	<u>1,524,644 3/</u>	<u>2,296</u>	<u>2,567</u>	<u>(271)</u>
Total Ad Valorem Taxes		<u>\$62,120,064</u>	<u>\$465,562</u>	<u>\$389,662</u>	<u>\$75,900</u>

1/ See Rule 20:10:13:54, Statement D, page 1; excludes Acquisition Adjustment.

2/ Includes 2015 Generation Projects, except Thunder Spirit. Excludes depreciable plant for Heskett & Coyote. Heskett and Coyote are taxed through coal conversion and Thunder Spirit is taxed on production per ND Century Code Chapter 57-33.2-04. See Rule 20:10:13:54, Statement D, pages 3 and 10.

3/ General and common intangible.

**MONTANA-DAKOTA UTILITIES CO.  
 AD VALOREM TAXES  
 ELECTRIC UTILITY - SOUTH DAKOTA  
 TWELVE MONTHS ENDING DECEMBER 31, 2014**

<u>Function</u>	<u>Average Plant Balance @ 12/31/2014</u> 1/	<u>Ad Valorem Tax @ 12/31/2014</u>	<u>Effective Tax Rate</u>
Production 2/	\$15,379,352	\$102,611	0.6672%
Transmission	15,126,422	87,802	0.5805%
Distribution	15,672,453	147,791	0.9430%
General	2,033,869	30,786	1.5137%
Common	1,389,082	18,105	1.3034%
Intangible 3/	<u>1,704,770</u>	<u>2,567</u>	0.1506%
Total	<u>\$51,305,948</u>	<u>\$389,662</u>	

- 1/ See Rule 20:10:13:54, Statement D, page 1; excludes Acquisition Adjustment.  
 2/ Excludes depreciable plant for Heskett & Coyote which are taxed through Coal Conversion. See Rule 20:10:13:54, Statement D, page 3 through 6.  
 3/ General and common intangible.

MONTANA-DAKOTA UTILITIES CO.  
PAYROLL TAXES  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 33

	Per Books		Pro Forma 1/	Pro Forma Adjustment
	Electric Utility	South Dakota		
FICA, FUTA & SUTA	<u>\$2,196,744</u>	<u>\$151,646</u>	<u>\$158,733</u>	<u>\$7,087</u>

1/ Calculated using 2014 ratio of payroll taxes to labor and pro forma labor expense.

**MONTANA-DAKOTA UTILITIES CO.  
ADJUSTMENT TO SOUTH DAKOTA GROSS RECEIPTS TAX  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 34**

	Total South Dakota
<u>Pro Forma Revenue 1/</u>	
Sales Revenue	\$13,836,142
Miscellaneous Service Revenue 2/	3,529
Rent from Electric Property 2/	130,234
Other Operating Revenue 2/	<u>705,795</u>
Total Gross Receipts	<u>\$14,675,700</u>
Gross Receipts Tax @ 0.14% 3/	\$20,546
Per Books Gross Receipts Tax	<u>19,818</u>
Pro Forma Adjustment	<u><u>\$728</u></u>

1/ Rule 20.10.13.85, Statement I, page 1.

2/ Adjusted to South Dakota Situs revenue.

3/ SD PUC Order AA15-001.

**MONTANA-DAKOTA UTILITIES CO.  
 ADJUSTMENT TO ELECTRIC PRODUCTION TAXES  
 ELECTRIC UTILITY - SOUTH DAKOTA  
 ADJUSTMENT NO. 35**

	Per Books		Pro Forma South Dakota 1/	Pro Forma Adjustment
	Electric Utility	South Dakota		
Montana Electric Taxes	\$198,714	\$10,624	\$10,382	(\$242)
North Dakota Coal Conversion Tax	955,310	51,074	48,343	(2,731)
North Dakota Wind Generation Tax 2/	<u>0</u>	<u>0</u>	<u>24,461</u>	<u>24,461</u>
Total Production Taxes	<u>\$1,154,024</u>	<u>\$61,698</u>	<u>\$83,186</u>	<u>\$21,488</u>

1/ Pro forma production taxes are based on 2014 actual volumes re-dispatched as if Thunder Spirit Wind Farm was online for the twelve months ending 12/31/14.

2/ This tax only applies to Thunder Spirit. Cedar Hills is grandfathered to its historical taxation methodology.