

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Rate Base | Allocation Factor | Total South Dakota | Residential Rate 10 | | | | Total Residential Rate 10 |
|-------------------------------------|-------------------|--------------------|-----------------------|---------------------|--------|-----------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 11,171,250 | 0 | 0 | 0 | 11,171,250 |
| Wind Production Plant | 3 | 5,635,424 | 2,719,480 | 0 | 0 | 0 | 2,719,480 |
| Total Production Plant | | 28,338,743 | 13,890,730 | 0 | 0 | 0 | 13,890,730 |
| Transmission Plant | 2 | 15,126,422 | 7,443,010 | 0 | 0 | 0 | 7,443,010 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 16,095 | 0 | 0 | 16,095 |
| Rights of Way | 4 | 34,047 | 0 | 17,525 | 0 | 0 | 17,525 |
| Station Equipment | 4 | 2,256,586 | 0 | 1,161,593 | 0 | 0 | 1,161,593 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 3,229,172 | 3,229,172 |
| Demand Related | 4.1 | 807,627 | 0 | 415,732 | 0 | 0 | 415,732 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 1,616,645 | 1,616,645 |
| Demand Related | 5 | 949,905 | 0 | 488,981 | 0 | 0 | 488,981 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 1,297,076 | 1,297,076 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 607,487 | 607,487 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 2,099,926 | 0 | 6,750,380 | 8,850,306 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 1,656,832 | 163,086 | 0 | 524,252 | 2,344,170 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 377,449 | 377,449 |
| Acquisition Adjustment | 29 | 568,397 | 278,610 | 0 | 0 | 0 | 278,610 |
| Total Electric Plant in Service | | 64,833,736 | 23,269,182 | 2,263,012 | 0 | 7,652,081 | 33,184,275 |

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|--|-------------------|--------------------|-----------------------|---------------------|----------|-------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 6,069,279 | 0 | 0 | 0 | 6,069,279 |
| Wind Production Plant | 3 | 1,281,689 | 618,504 | 0 | 0 | 0 | 618,504 |
| Total Production Plant | | 13,616,278 | 6,687,783 | 0 | 0 | 0 | 6,687,783 |
| Transmission Plant | 2 | 9,034,445 | 4,445,431 | 0 | 0 | 0 | 4,445,431 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 13,647 | 0 | 0 | 13,647 |
| Station Equipment | 4 | 1,371,002 | 0 | 705,733 | 0 | 0 | 705,733 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 268,794 | 0 | 2,087,843 | 2,356,637 |
| Line Transformers | 19 | 1,452,819 | 0 | 172,233 | 0 | 569,430 | 741,663 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 1,184,096 | 1,184,096 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 2,428 | 2,428 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 8,520,016 | 0 | 1,160,407 | 0 | 3,843,797 | 5,004,204 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 885,599 | 87,171 | 0 | 280,219 | 1,252,989 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 31,994 | 31,994 |
| Acquisition Adjustment | 29 | 568,067 | 278,446 | 0 | 0 | 0 | 278,446 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 12,297,259 | 1,247,578 | 0 | 4,156,010 | 17,700,847 |
| Net Electric Plant in Service | | 30,594,689 | 10,971,923 | 1,015,434 | 0 | 3,496,071 | 15,483,428 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 316,314 | 31,135 | 0 | 100,087 | 447,536 |
| Prepayments | 26 | 9,483 | 3,403 | 331 | 0 | 1,119 | 4,853 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 116,620 | 0 | 116,620 |
| Unamortized Loss on Debt | 26 | 251,553 | 90,285 | 8,780 | 0 | 29,690 | 128,755 |
| Total Additions | | 1,380,468 | 410,002 | 40,246 | 116,620 | 130,896 | 697,764 |
| Total Before Deductions | | 31,975,157 | 11,381,925 | 1,055,680 | 116,620 | 3,626,967 | 16,181,192 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (3,446,699) | (335,204) | 0 | (1,133,448) | (4,915,351) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | (1,909) | 0 | (6,132) | (8,041) |
| Total Deductions | | (9,676,674) | (3,446,699) | (337,113) | 0 | (1,139,580) | (4,923,392) |
| Total Rate Base | | 22,298,483 | 7,935,226 | 718,567 | 116,620 | 2,487,387 | 11,257,800 |
| Rate of Return | | 8.35% | (16.61%) | (17.57%) | 2472.07% | (22.15%) | 7.89% |

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|--|-------------------|--------------------|-----------------------|---------------------|------------------|---------------------------|------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 114,335 | 0 | 6,369,094 | 496,496 | 6,979,925 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 114,335 | 0 | 6,369,094 | 496,496 | 6,979,925 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 16,859 | 0 | 16,859 |
| Total Sales Revenues | | 13,630,444 | 114,335 | 0 | 6,385,953 | 496,496 | 6,996,784 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 2,227 | 206 | 0 | 709 | 3,142 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 1,074 | 0 | 8,345 | 9,419 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 70,436 | 0 | 0 | 0 | 70,436 |
| Miscellaneous | 27 | 12,385 | 4,441 | 411 | 0 | 1,415 | 6,267 |
| Other Rent from Electric Property | 27 | 78,750 | 28,241 | 2,614 | 0 | 8,999 | 39,854 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 493 | 0 | 1,584 | 2,077 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 32 | 0 | 103 | 135 |
| Patronage Dividends | 23 | 3,083 | 958 | 82 | 0 | 629 | 1,669 |
| Joint Use Agreements | 30 | 5,573 | 2,742 | 0 | 0 | 0 | 2,742 |
| Wheeling Fees | 30 | 124,698 | 61,359 | 0 | 0 | 0 | 61,359 |
| Miscellaneous | 23 | 157,421 | 48,747 | 4,186 | 0 | 32,136 | 85,069 |
| Total Other Revenues | | 701,821 | 219,151 | 9,098 | 0 | 53,920 | 282,169 |

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|---|-------------------|--------------------|-----------------------|---------------------|------------------|---------------------------|------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | |
| Unbilled Revenue | 45 | (93,448) | (786) | 0 | (43,778) | (3,413) | (47,977) |
| Total Operating Revenues | | 14,238,817 | 332,700 | 9,098 | 6,342,175 | 547,003 | 7,230,976 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 1,872,108 | 0 | 1,872,108 |
| F&PP - Demand | Direct | 232,364 | 114,335 | 0 | 0 | 0 | 114,335 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 34,798 | 0 | 34,798 |
| Other Production | 2 | 1,298,466 | 638,915 | 0 | 0 | 0 | 638,915 |
| Total Production Expense | | 5,497,808 | 753,250 | 0 | 1,906,906 | 0 | 2,660,156 |
| Transmission Expense | 2 | 1,148,737 | 565,239 | 0 | 0 | 0 | 565,239 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 20,423 | 0 | 0 | 20,423 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 13,983 | 0 | 108,614 | 122,597 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 47,500 | 47,500 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 12,385 | 12,385 |
| Supervision & Engineering | 21 | 71,806 | 0 | 7,397 | 0 | 36,227 | 43,624 |
| Miscellaneous | 21 | 263,256 | 0 | 27,120 | 0 | 132,816 | 159,936 |
| Rents | 14 | 14,509 | 0 | 1,944 | 0 | 6,249 | 8,193 |
| Total Operation Expense | | 683,553 | 0 | 70,867 | 0 | 343,791 | 414,658 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 4,424 | 0 | 0 | 4,424 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 20,264 | 0 | 157,397 | 177,661 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 2,658 | 2,658 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 23 | 23 |
| Supervision & Engineering | 22 | 24,705 | 0 | 2,045 | 0 | 13,257 | 15,302 |
| Miscellaneous | 22 | 70,172 | 0 | 5,808 | 0 | 37,664 | 43,472 |
| Total Maintenance Expense | | 393,137 | 0 | 32,541 | 0 | 210,999 | 243,540 |
| Total Distribution Expenses | | 1,076,690 | 0 | 103,408 | 0 | 554,790 | 658,198 |

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|--|-------------------|--------------------|-----------------------|---------------------|-----------|---------------------------|-----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 206,601 | 206,601 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 15,548 | 15,548 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 16,890 | 16,890 |
| Administrative & General Expenses | 24 | 1,453,539 | 450,099 | 38,653 | 0 | 296,724 | 785,476 |
| Total Electric O&M Expenses | | 9,541,553 | 1,768,588 | 142,061 | 1,906,906 | 1,090,553 | 4,908,108 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 114,335 | 0 | 1,906,906 | 0 | 2,021,241 |
| Other O&M Expenses | | 5,342,211 | 1,654,253 | 142,061 | 0 | 1,090,553 | 2,886,867 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 1,768,588 | 142,061 | 1,906,906 | 1,090,553 | 4,908,108 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 296,570 | 0 | 0 | 0 | 296,570 |
| Wind Production Plant | 3 | 284,287 | 137,188 | 0 | 0 | 0 | 137,188 |
| Total Production Plant | | 887,005 | 433,758 | 0 | 0 | 0 | 433,758 |
| Transmission Plant | 2 | 293,657 | 144,495 | 0 | 0 | 0 | 144,495 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 237 | 0 | 0 | 237 |
| Station Equipment | 4 | 41,316 | 0 | 21,268 | 0 | 0 | 21,268 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 16,538 | 0 | 128,456 | 144,994 |
| Line Transformers | 19 | 96,379 | 0 | 11,426 | 0 | 37,776 | 49,202 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 28,054 | 28,054 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 21,746 | 21,746 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 49,469 | 0 | 216,032 | 265,501 |
| General, Common & Intangible Plant | 13 | 156,953 | 56,621 | 5,573 | 0 | 17,916 | 80,110 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 25,960 | 25,960 |
| Acquisition Adjustment | 29 | 684 | 337 | 0 | 0 | 0 | 337 |
| Total Depreciation Expense | | 1,844,338 | 635,211 | 55,042 | 0 | 259,908 | 950,161 |

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| | Allocation Factor | Total South Dakota | Residential Rate 10 | | | | Total Residential Rate 10 |
|---|-------------------|--------------------|-----------------------|---------------------|------------------|--------------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem Taxes | | | | | | | |
| Production Plant | 29 | 102,611 | 50,295 | 0 | 0 | 0 | 50,295 |
| Transmission Plant | 30 | 87,802 | 43,203 | 0 | 0 | 0 | 43,203 |
| Distribution Plant | 14 | 147,791 | 0 | 19,802 | 0 | 63,657 | 83,459 |
| General, Common & Intangible Plant | 13 | 51,458 | 18,565 | 1,827 | 0 | 5,874 | 26,266 |
| Total Ad Valorem Taxes | | 389,662 | 112,063 | 21,629 | 0 | 69,531 | 203,223 |
| Other Taxes | | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 74,444 | 6,393 | 0 | 49,076 | 129,913 |
| Total Taxes Other Than Income Taxes | | 630,066 | 186,507 | 28,022 | 0 | 118,607 | 333,136 |
| Total Operating Expense | | 12,015,957 | 2,590,306 | 225,125 | 1,906,906 | 1,469,068 | 6,191,405 |
| Income Taxes | | | | | | | |
| Interest Expense | 27 | 624,410 | 223,928 | 20,724 | 0 | 71,352 | 316,004 |
| Taxable Income Before Adjustments | | 1,598,450 | (2,481,534) | (236,751) | 4,435,269 | (993,417) | 723,567 |
| Deductions | | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 1,532,537 | 149,045 | 0 | 503,975 | 2,185,557 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 2,625 | 255 | 0 | 863 | 3,743 |
| Total Deductions | | 4,277,341 | 1,535,162 | 149,300 | 0 | 504,838 | 2,189,300 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (4,016,696) | (386,051) | 4,435,269 | (1,498,255) | (1,465,733) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (4,016,696) | (386,051) | 4,435,269 | (1,498,255) | (1,465,733) |
| Federal Income Tax | | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (1,405,844) | (135,118) | 1,552,346 | (524,389) | (513,005) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (118,680) | (11,542) | 0 | (39,027) | (169,249) |
| Federal and State Income Taxes | | (1,268,280) | (1,524,524) | (146,660) | 1,552,346 | (563,416) | (682,254) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 68,697 | 6,681 | 0 | 22,591 | 97,969 |
| Federal & State Income Taxes | | (1,076,876) | (1,455,827) | (139,979) | 1,552,346 | (540,825) | (584,285) |

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| | Allocation Factor | Total South Dakota | Residential Rate 10 | | | Total Residential Rate 10 | |
|---|-------------------|--------------------|-----------------------|---------------------|-----------------|---------------------------|------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 495,321 | 48,172 | 0 | 162,886 | 706,379 |
| Closing/Filing & Out of Period | 26 | 57,361 | 20,589 | 2,002 | 0 | 6,770 | 29,361 |
| Total Deferred Income Taxes | | 1,437,447 | 515,910 | 50,174 | 0 | 169,656 | 735,740 |
| Total Operating Expenses | | 12,376,528 | 1,650,389 | 135,320 | 3,459,252 | 1,097,899 | 6,342,860 |
| Total Operating Income | | 1,862,289 | (1,317,689) | (126,222) | 2,882,923 | (550,896) | 888,116 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 4,757,065 | 0 | 0 | 0 | 4,757,065 |
| Wind Production | 3 | 11,268,091 | 5,437,630 | 0 | 0 | 0 | 5,437,630 |
| Transmission | 2 | 549,643 | 270,453 | 0 | 0 | 0 | 270,453 |
| Distribution | 14 | 425,836 | 0 | 57,057 | 0 | 183,415 | 240,472 |
| General, Common & Intangible | 13 | 88,738 | 32,013 | 3,151 | 0 | 10,129 | 45,293 |
| Acquisition Adjustment | 29 | (13,346) | (6,540) | 0 | 0 | 0 | (6,540) |
| Plant Additions | | 21,986,739 | 10,490,621 | 60,208 | 0 | 193,544 | 10,744,373 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 425,151 | 0 | 0 | 0 | 425,151 |
| Wind Production | 49 | 592,647 | 285,993 | 0 | 0 | 0 | 285,993 |
| Transmission | 2 | 275,449 | 135,537 | 0 | 0 | 0 | 135,537 |
| Distribution | 14 | 292,272 | 0 | 39,161 | 0 | 125,887 | 165,048 |
| General, Common & Intangible | 13 | (69,964) | (25,239) | (2,484) | 0 | (7,986) | (35,709) |
| Acquisition Adjustment | 29 | (13,016) | (6,379) | 0 | 0 | 0 | (6,379) |
| Plant Additions | | 1,941,421 | 815,063 | 36,677 | 0 | 117,901 | 969,641 |
| Net Adjustment to Plant | | 20,045,318 | 9,675,558 | 23,531 | 0 | 75,643 | 9,774,732 |

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|--|-------------------|--------------------|-----------------------|---------------------|---------|----------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (20,951) | (2,062) | 0 | (6,630) | (29,643) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (1,732) | 0 | (1,732) |
| Prepayments - Adjustment G | 26 | 37,894 | 13,602 | 1,323 | 0 | 4,472 | 19,397 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (10,296) | (1,001) | 0 | (3,386) | (14,683) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 380,673 | 0 | 0 | 0 | 380,673 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (33,480) | 0 | 0 | 0 | (33,480) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (18,601) | 0 | 0 | 0 | (18,601) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 138,806 | 11,920 | 0 | 91,508 | 242,234 |
| Total | | 1,063,583 | 449,753 | 10,180 | (1,732) | 85,964 | 544,165 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 199,061 | 19,359 | 0 | 65,461 | 283,881 |
| Normalization - Adjustment M | 26 | (25,826) | (9,268) | (901) | 0 | (3,048) | (13,217) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (68) | 0 | (3,773) | (294) | (4,135) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 365,186 | 0 | 0 | 0 | 365,186 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 286,102 | 0 | 0 | 0 | 286,102 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 133,237 | 0 | 0 | 0 | 133,237 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (11,719) | 0 | 0 | 0 | (11,719) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (6,511) | 0 | 0 | 0 | (6,511) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | (10) | 0 | (33) | (43) |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 48,583 | 4,172 | 0 | 32,028 | 84,783 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 30 | 0 | 95 | 125 |
| Total | | 2,247,158 | 1,004,603 | 22,650 | (3,773) | 94,209 | 1,117,689 |
| Total Pro Forma Adjustments | | 18,861,743 | 9,120,708 | 11,061 | 2,041 | 67,398 | 9,201,208 |

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| | Allocation Factor | Total South Dakota | Residential Rate 10 | | | Total Residential Rate 10 | |
|---|-------------------|--------------------|-----------------------|---------------------|-----------------|---------------------------|-----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | (98,274) | 0 | 215,180 | 4,895 | 121,801 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (98,274) | 0 | 215,180 | 4,895 | 121,801 |
| Unbilled Revenue | 45 | 93,448 | 786 | 0 | 43,778 | 3,413 | 47,977 |
| Total | | 334,215 | (97,488) | 0 | 258,958 | 8,308 | 169,778 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (16,859) | 0 | (16,859) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (45,160) | (3,878) | 0 | (29,771) | (78,809) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (142,648) | (3,878) | 242,099 | (21,463) | 74,110 |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (50,986) | 0 | (50,986) |
| F&PP - Demand | Direct | (199,724) | (98,274) | 0 | 0 | 0 | (98,274) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (98,274) | 0 | (50,986) | 0 | (149,260) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 49,301 | 0 | 124,809 | 0 | 174,110 |
| Transmission | 2 | 213,540 | 105,073 | 0 | 0 | 0 | 105,073 |
| Distribution | 21 | 21,844 | 0 | 2,250 | 0 | 11,021 | 13,271 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 3,106 | 3,106 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 386 | 386 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (1,336) | (1,336) |
| Administrative & General | 24 | 206,532 | 63,954 | 5,492 | 0 | 42,161 | 111,607 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 218,328 | 7,742 | 124,809 | 55,338 | 406,217 |
| Total Adjustments to O&M | | 499,424 | 120,054 | 7,742 | 73,823 | 55,338 | 256,957 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Residential Rate 10 | | | | Total Residential Rate 10 |
|---|-------------------|--------------------|-----------------------|---------------------|---------|-----------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 185,385 | 0 | 0 | 0 | 185,385 |
| Wind Production | 3 | 592,647 | 285,993 | 0 | 0 | 0 | 285,993 |
| Transmission Plant | 30 | 20,395 | 10,035 | 0 | 0 | 0 | 10,035 |
| Distribution Plant | 14 | 6,913 | 0 | 926 | 0 | 2,978 | 3,904 |
| General, Common & Intangible Plant | 13 | 23,006 | 8,300 | 817 | 0 | 2,626 | 11,743 |
| Acquisition Adjustment | 29 | (684) | (337) | 0 | 0 | 0 | (337) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 39,918 | 0 | 0 | 0 | 39,918 |
| Decommissioning of Power Plants | 29 | 136,083 | 66,705 | 0 | 0 | 0 | 66,705 |
| Retired Power Plant Amortization | 29 | (3,979) | (1,951) | 0 | 0 | 0 | (1,951) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 594,048 | 1,743 | 0 | 5,604 | 601,395 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 31,886 | 0 | 0 | 0 | 31,886 |
| Transmission Plant | 30 | 3,198 | 1,573 | 0 | 0 | 0 | 1,573 |
| Distribution Plant | 14 | 4,016 | 0 | 538 | 0 | 1,731 | 2,269 |
| General Plant | 13 | 2,882 | 1,039 | 102 | 0 | 329 | 1,470 |
| Common & Intangible Plant | 13 | 753 | 273 | 27 | 0 | 86 | 386 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 34,771 | 667 | 0 | 2,146 | 37,584 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 2,195 | 188 | 0 | 1,447 | 3,830 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 225 | 19 | 0 | 149 | 393 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 10,573 | 0 | 0 | 0 | 10,573 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 47,764 | 874 | 0 | 3,742 | 52,380 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 156,761 | 14,508 | 0 | 49,949 | 221,218 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 68,355 | 0 | 0 | 0 | 68,355 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 1,043,393 | 0 | 0 | 0 | 1,043,393 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 817,433 | 0 | 0 | 0 | 817,433 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (24,868) | 0 | 0 | 0 | (24,868) |
| | | 4,340,233 | 2,061,074 | 14,508 | 0 | 49,949 | 2,125,531 |
| Net Adjustments to Operating Income | | (4,787,574) | (2,369,589) | (27,002) | 168,276 | (130,492) | (2,358,807) |

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| Allocation Factor | Total South Dakota | Residential Rate 10 | | | | Total Residential Rate 10 | |
|--|--------------------|-----------------------|---------------------|----------|----------|---------------------------|-------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (1,037,955) | (10,061) | 58,897 | (47,634) | (1,036,753) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (236,396) | 0 | 0 | 0 | (236,396) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (68,697) | (6,681) | 0 | (22,591) | (97,969) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (1,343,048) | (16,742) | 58,897 | (70,225) | (1,371,118) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 65,978 | 6,417 | 0 | 21,697 | 94,092 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 389,204 | 0 | 0 | 0 | 389,204 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 286,102 | 0 | 0 | 0 | 286,102 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 741,284 | 6,417 | 0 | 21,697 | 769,398 |
| Total Adjustments to Income: | | (462,802) | (302,750) | (3,912) | 109,379 | (37,619) | (234,902) |

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| Rate Base | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|-------------------------------------|-------------------|--------------------|-------------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 940 | 0 | 0 | 0 | 940 |
| Wind Production Plant | 3 | 5,635,424 | 200 | 0 | 0 | 0 | 200 |
| Total Production Plant | | 28,338,743 | 1,140 | 0 | 0 | 0 | 1,140 |
| Transmission Plant | 2 | 15,126,422 | 626 | 0 | 0 | 0 | 626 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 1 | 0 | 0 | 1 |
| Rights of Way | 4 | 34,047 | 0 | 1 | 0 | 0 | 1 |
| Station Equipment | 4 | 2,256,586 | 0 | 43 | 0 | 0 | 43 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 464 | 464 |
| Demand Related | 4.1 | 807,627 | 0 | 15 | 0 | 0 | 15 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 0 | 0 |
| Demand Related | 5 | 949,905 | 0 | 0 | 0 | 0 | 0 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 196 | 196 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 1,156 | 1,156 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 60 | 0 | 1,816 | 1,876 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 137 | 5 | 0 | 141 | 283 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 54 | 54 |
| Acquisition Adjustment | 29 | 568,397 | 23 | 0 | 0 | 0 | 23 |
| Total Electric Plant in Service | | 64,833,736 | 1,926 | 65 | 0 | 2,011 | 4,002 |

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| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | Total SG Primary Rate 20 | |
|--|-------------------|--------------------|-------------------------------|---------------------|----------|--------------------------|----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 511 | 0 | 0 | 511 | |
| Wind Production Plant | 3 | 1,281,689 | 45 | 0 | 0 | 45 | |
| Total Production Plant | | 13,616,278 | 556 | 0 | 0 | 556 | |
| Transmission Plant | 2 | 9,034,445 | 374 | 0 | 0 | 374 | |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 1 | 0 | 1 | |
| Station Equipment | 4 | 1,371,002 | 0 | 26 | 0 | 26 | |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 10 | 0 | 310 | |
| Line Transformers | 19 | 1,452,819 | 0 | 0 | 0 | 0 | |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 179 | |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 5 | |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | |
| Distribution Plant | | 8,520,016 | 0 | 37 | 0 | 484 | |
| General, Common & Intangible Plant | 13 | 2,454,896 | 73 | 2 | 0 | 150 | |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 5 | |
| Acquisition Adjustment | 29 | 568,067 | 23 | 0 | 0 | 23 | |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 1,026 | 39 | 0 | 564 | |
| Net Electric Plant in Service | | 30,594,689 | 900 | 26 | 0 | 1,447 | |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 26 | 1 | 0 | 27 | |
| Prepayments | 26 | 9,483 | 0 | 0 | 0 | 0 | |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 8 | 0 | |
| Unamortized Loss on Debt | 26 | 251,553 | 7 | 0 | 0 | 8 | |
| Total Additions | | 1,380,468 | 33 | 1 | 8 | 35 | |
| Total Before Deductions | | 31,975,157 | 933 | 27 | 8 | 1,482 | |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (285) | (10) | 0 | (298) | |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | |
| Total Deductions | | (9,676,674) | (285) | (10) | 0 | (298) | |
| Total Rate Base | | 22,298,483 | 648 | 17 | 8 | 1,184 | |
| Rate of Return | | 8.35% | (17.28%) | (35.29%) | 2350.00% | (6.84%) | (0.59%) |

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| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|--|-------------------|--------------------|-------------------------------|---------------------|------------|------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 10 | 0 | 427 | 331 | 768 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 10 | 0 | 427 | 331 | 768 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 1 | 0 | 1 |
| Total Sales Revenues | | 13,630,444 | 10 | 0 | 428 | 331 | 769 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 0 | 0 | 0 | 0 | 0 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 0 | 0 | 1 | 1 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 6 | 0 | 0 | 0 | 6 |
| Miscellaneous | 27 | 12,385 | 0 | 0 | 0 | 1 | 1 |
| Other Rent from Electric Property | 27 | 78,750 | 2 | 0 | 0 | 4 | 6 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 0 | 0 | 0 | 0 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 0 | 0 | 0 | 0 |
| Patronage Dividends | 23 | 3,083 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Agreements | 30 | 5,573 | 0 | 0 | 0 | 0 | 0 |
| Wheeling Fees | 30 | 124,698 | 5 | 0 | 0 | 0 | 5 |
| Miscellaneous | 23 | 157,421 | 4 | 0 | 0 | 11 | 15 |
| Total Other Revenues | | 701,821 | 17 | 0 | 0 | 17 | 34 |

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| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|---|-------------------|--------------------|-------------------------------|---------------------|------------|------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unbilled Revenue | 45 | (93,448) | 0 | 0 | (3) | (2) | (5) |
| Total Operating Revenues | | 14,238,817 | 27 | 0 | 425 | 346 | 798 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 133 | 0 | 133 |
| F&PP - Demand | Direct | 232,364 | 10 | 0 | 0 | 0 | 10 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 2 | 0 | 2 |
| Other Production | 2 | 1,298,466 | 54 | 0 | 0 | 0 | 54 |
| Total Production Expense | | 5,497,808 | 64 | 0 | 135 | 0 | 199 |
| Transmission Expense | 2 | 1,148,737 | 48 | 0 | 0 | 0 | 48 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 1 | 0 | 0 | 1 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 1 | 0 | 16 | 17 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 90 | 90 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 2 | 2 |
| Supervision & Engineering | 21 | 71,806 | 0 | 0 | 0 | 23 | 23 |
| Miscellaneous | 21 | 263,256 | 0 | 2 | 0 | 85 | 87 |
| Rents | 14 | 14,509 | 0 | 0 | 0 | 2 | 2 |
| Total Operation Expense | | 683,553 | 0 | 4 | 0 | 218 | 222 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 0 | 0 | 0 | 0 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 1 | 0 | 23 | 24 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 0 | 0 |
| Supervision & Engineering | 22 | 24,705 | 0 | 0 | 0 | 2 | 2 |
| Miscellaneous | 22 | 70,172 | 0 | 0 | 0 | 5 | 5 |
| Total Maintenance Expense | | 393,137 | 0 | 1 | 0 | 30 | 31 |
| Total Distribution Expenses | | 1,076,690 | 0 | 5 | 0 | 248 | 253 |

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| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|--|-------------------|--------------------|-------------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 30 | 30 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 2 | 2 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 2 | 2 |
| Administrative & General Expenses | 24 | 1,453,539 | 38 | 2 | 0 | 105 | 145 |
| Total Electric O&M Expenses | | 9,541,553 | 150 | 7 | 135 | 387 | 679 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 10 | 0 | 135 | 0 | 145 |
| Other O&M Expenses | | 5,342,211 | 140 | 7 | 0 | 387 | 534 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 150 | 7 | 135 | 387 | 679 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 25 | 0 | 0 | 0 | 25 |
| Wind Production Plant | 3 | 284,287 | 10 | 0 | 0 | 0 | 10 |
| Total Production Plant | | 887,005 | 35 | 0 | 0 | 0 | 35 |
| Transmission Plant | 2 | 293,657 | 12 | 0 | 0 | 0 | 12 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 0 | 0 | 0 | 0 |
| Station Equipment | 4 | 41,316 | 0 | 1 | 0 | 0 | 1 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 1 | 0 | 18 | 19 |
| Line Transformers | 19 | 96,379 | 0 | 0 | 0 | 0 | 0 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 4 | 4 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 41 | 41 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 2 | 0 | 63 | 65 |
| General, Common & Intangible Plant | 13 | 156,953 | 5 | 0 | 0 | 5 | 10 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 4 | 4 |
| Acquisition Adjustment | 29 | 684 | 0 | 0 | 0 | 0 | 0 |
| Total Depreciation Expense | | 1,844,338 | 52 | 2 | 0 | 72 | 126 |

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Twelve Months Ended December 31, 2014**

| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | Total SG Primary Rate 20 |
|--|-------------------|--------------------|-------------------------------|---------------------|--------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 4 | 0 | 0 | 4 |
| Transmission Plant | 30 | 87,802 | 4 | 0 | 0 | 4 |
| Distribution Plant | 14 | 147,791 | 0 | 1 | 0 | 17 |
| General, Common & Intangible Plant | 13 | 51,458 | 2 | 0 | 0 | 2 |
| Total Ad Valorem Taxes | | 389,662 | 10 | 1 | 0 | 19 |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 6 | 0 | 0 | 17 |
| Total Taxes Other Than Income Taxes | | 630,066 | 16 | 1 | 0 | 36 |
| Total Operating Expense | | 12,015,957 | 218 | 10 | 135 | 495 |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 18 | 1 | 0 | 30 |
| Taxable Income Before Adjustments | | 1,598,450 | (209) | (11) | 290 | (179) |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 127 | 4 | 0 | 132 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 0 | 0 | 0 | 0 |
| Total Deductions | | 4,277,341 | 127 | 4 | 0 | 132 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (336) | (15) | 290 | (311) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (336) | (15) | 290 | (311) |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (118) | (5) | 102 | (109) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (10) | 0 | 0 | (10) |
| Federal and State Income Taxes | | (1,268,280) | (128) | (5) | 102 | (119) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 6 | 0 | 0 | 6 |
| Federal & State Income Taxes | | (1,076,876) | (122) | (5) | 102 | (113) |

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ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|---|-------------------|--------------------|-------------------------------|---------------------|------------|-------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 41 | 1 | 0 | 43 | 85 |
| Closing/Filing & Out of Period | 26 | 57,361 | 2 | 0 | 0 | 2 | 4 |
| Total Deferred Income Taxes | | 1,437,447 | 43 | 1 | 0 | 45 | 89 |
| Total Operating Expenses | | 12,376,528 | 139 | 6 | 237 | 427 | 809 |
| Total Operating Income | | 1,862,289 | (112) | (6) | 188 | (81) | (11) |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 400 | 0 | 0 | 0 | 400 |
| Wind Production | 3 | 11,268,091 | 399 | 0 | 0 | 0 | 399 |
| Transmission | 2 | 549,643 | 23 | 0 | 0 | 0 | 23 |
| Distribution | 14 | 425,836 | 0 | 2 | 0 | 49 | 51 |
| General, Common & Intangible | 13 | 88,738 | 3 | 0 | 0 | 3 | 6 |
| Acquisition Adjustment | 29 | (13,346) | (1) | 0 | 0 | 0 | (1) |
| Plant Additions | | 21,986,739 | 824 | 2 | 0 | 52 | 878 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 36 | 0 | 0 | 0 | 36 |
| Wind Production | 49 | 592,647 | 21 | 0 | 0 | 0 | 21 |
| Transmission | 2 | 275,449 | 11 | 0 | 0 | 0 | 11 |
| Distribution | 14 | 292,272 | 0 | 1 | 0 | 34 | 35 |
| General, Common & Intangible | 13 | (69,964) | (2) | 0 | 0 | (2) | (4) |
| Acquisition Adjustment | 29 | (13,016) | (1) | 0 | 0 | 0 | (1) |
| Plant Additions | | 1,941,421 | 65 | 1 | 0 | 32 | 98 |
| Net Adjustment to Plant | | 20,045,318 | 759 | 1 | 0 | 20 | 780 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | Total SG Primary Rate 20 | |
|--|-------------------|--------------------|-------------------------------|---------------------|-----------------|--------------------------|-----|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (2) | 0 | 0 | (2) | (4) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | 0 | 0 | 0 |
| Prepayments - Adjustment G | 26 | 37,894 | 1 | 0 | 0 | 1 | 2 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (1) | 0 | 0 | (1) | (2) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 32 | 0 | 0 | 0 | 32 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (3) | 0 | 0 | 0 | (3) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (2) | 0 | 0 | 0 | (2) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 12 | 1 | 0 | 33 | 46 |
| Total | | 1,063,583 | 37 | 1 | 0 | 31 | 69 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 16 | 1 | 0 | 17 | 34 |
| Normalization - Adjustment M | 26 | (25,826) | (1) | 0 | 0 | (1) | (2) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | 0 | 0 | 0 | 0 | 0 |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 31 | 0 | 0 | 0 | 31 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 21 | 0 | 0 | 0 | 21 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 11 | 0 | 0 | 0 | 11 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (1) | 0 | 0 | 0 | (1) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (1) | 0 | 0 | 0 | (1) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 4 | 0 | 0 | 11 | 15 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 80 | 1 | 0 | 27 | 108 |
| Total Pro Forma Adjustments | | 18,861,743 | 716 | 1 | 0 | 24 | 741 |

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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | Total SG Primary Rate 20 |
|---|-------------------|--------------------|-------------------------------|---------------------|-----------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | |
| Pro Forma Adjustments - Operating Income | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | (8) | 0 | 44 | (194) |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (8) | 0 | 44 | (194) |
| Unbilled Revenue | 45 | 93,448 | 0 | 0 | 3 | 2 |
| Total | | 334,215 | (8) | 0 | 47 | (192) |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (1) | 0 |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (4) | 0 | 0 | (11) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (12) | 0 | 46 | (203) |
| Operation & Maintenance Expenses | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (4) | 0 |
| F&PP - Demand | Direct | (199,724) | (8) | 0 | 0 | 0 |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (8) | 0 | (4) | 0 |
| Other O&M | | | | | | |
| Production | 47 | 359,837 | 4 | 0 | 9 | 0 |
| Transmission | 2 | 213,540 | 9 | 0 | 0 | 0 |
| Distribution | 21 | 21,844 | 0 | 0 | 0 | 7 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 0 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 0 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | 0 |
| Administrative & General | 24 | 206,532 | 5 | 0 | 0 | 15 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 18 | 0 | 9 | 22 |
| Total Adjustments to O&M | | 499,424 | 10 | 0 | 5 | 22 |

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| | Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 |
|---|-------------------|--------------------|-------------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 15 | 0 | 0 | 0 | 15 |
| Wind Production | 3 | 592,647 | 21 | 0 | 0 | 0 | 21 |
| Transmission Plant | 30 | 20,395 | 1 | 0 | 0 | 0 | 1 |
| Distribution Plant | 14 | 6,913 | 0 | 0 | 0 | 1 | 1 |
| General, Common & Intangible Plant | 13 | 23,006 | 1 | 0 | 0 | 1 | 2 |
| Acquisition Adjustment | 29 | (684) | 0 | 0 | 0 | 0 | 0 |
| Amort. - Unrecovered Plants | 29 | 81,436 | 3 | 0 | 0 | 0 | 3 |
| Decommissioning of Power Plants | 29 | 136,083 | 5 | 0 | 0 | 0 | 5 |
| Retired Power Plant Amortization | 29 | (3,979) | 0 | 0 | 0 | 0 | 0 |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 46 | 0 | 0 | 2 | 48 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 3 | 0 | 0 | 0 | 3 |
| Transmission Plant | 30 | 3,198 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | 14 | 4,016 | 0 | 0 | 0 | 0 | 0 |
| General Plant | 13 | 2,882 | 0 | 0 | 0 | 0 | 0 |
| Common & Intangible Plant | 13 | 753 | 0 | 0 | 0 | 0 | 0 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 3 | 0 | 0 | 0 | 3 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 0 | 0 | 0 | 1 | 1 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 0 | 0 | 0 | 0 | 0 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 1 | 0 | 0 | 0 | 1 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 4 | 0 | 0 | 1 | 5 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 13 | 0 | 0 | 21 | 34 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 6 | 0 | 0 | 0 | 6 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 88 | 0 | 0 | 0 | 88 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 60 | 0 | 0 | 0 | 60 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (2) | 0 | 0 | 0 | (2) |
| | | 4,340,233 | 165 | 0 | 0 | 21 | 186 |
| Net Adjustments to Operating Income | | (4,787,574) | (191) | 0 | 41 | (247) | (397) |

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Twelve Months Ended December 31, 2014**

| Allocation Factor | Total South Dakota | Small General Primary Rate 20 | | | | Total SG Primary Rate 20 | |
|--|--------------------|-------------------------------|---------------------|----------|-----------|--------------------------|--------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (83) | 0 | 14 | (87) | (156) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (17) | 0 | 0 | 0 | (17) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (6) | 0 | 0 | (6) | (12) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (106) | 0 | 14 | (93) | (185) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 5 | 0 | 0 | 6 | 11 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 33 | 0 | 0 | 0 | 33 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 21 | 0 | 0 | 0 | 21 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 59 | 0 | 0 | 6 | 65 |
| Total Adjustments to Income: | | (462,802) | (25) | 0 | 27 | (141) | (139) |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| Rate Base | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 |
|-------------------------------------|-------------------|--------------------|---------------------------------|---------------------|--------|-----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 4,575,994 | 0 | 0 | 0 | 4,575,994 |
| Wind Production Plant | 3 | 5,635,424 | 1,174,722 | 0 | 0 | 0 | 1,174,722 |
| Total Production Plant | | 28,338,743 | 5,750,716 | 0 | 0 | 0 | 5,750,716 |
| Transmission Plant | 2 | 15,126,422 | 3,048,824 | 0 | 0 | 0 | 3,048,824 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 5,779 | 0 | 0 | 5,779 |
| Rights of Way | 4 | 34,047 | 0 | 6,293 | 0 | 0 | 6,293 |
| Station Equipment | 4 | 2,256,586 | 0 | 417,059 | 0 | 0 | 417,059 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 914,197 | 914,197 |
| Demand Related | 4.1 | 807,627 | 0 | 149,264 | 0 | 0 | 149,264 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 1,148,456 | 1,148,456 |
| Demand Related | 5 | 949,905 | 0 | 175,563 | 0 | 0 | 175,563 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 404,062 | 404,062 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 347,609 | 347,609 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 753,958 | 0 | 2,814,324 | 3,568,282 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 683,395 | 58,554 | 0 | 218,568 | 960,517 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 106,858 | 106,858 |
| Acquisition Adjustment | 29 | 568,397 | 115,343 | 0 | 0 | 0 | 115,343 |
| Total Electric Plant in Service | | 64,833,736 | 9,598,278 | 812,512 | 0 | 3,139,750 | 13,550,540 |

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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | Total SG Secondary Rate 20 | |
|--|-------------------|--------------------|---------------------------------|---------------------|----------|----------------------------|----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 2,486,112 | 0 | 0 | 2,486,112 | |
| Wind Production Plant | 3 | 1,281,689 | 267,172 | 0 | 0 | 267,172 | |
| Total Production Plant | | 13,616,278 | 2,753,284 | 0 | 0 | 2,753,284 | |
| Transmission Plant | 2 | 9,034,445 | 1,820,948 | 0 | 0 | 1,820,948 | |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 4,900 | 0 | 4,900 | |
| Station Equipment | 4 | 1,371,002 | 0 | 253,387 | 0 | 253,387 | |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 96,508 | 0 | 591,080 | |
| Line Transformers | 19 | 1,452,819 | 0 | 61,838 | 0 | 404,520 | |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 368,866 | |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 1,390 | |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | |
| Distribution Plant | | 8,520,016 | 0 | 416,633 | 0 | 1,365,856 | |
| General, Common & Intangible Plant | 13 | 2,454,896 | 365,283 | 31,298 | 0 | 116,827 | |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 9,058 | |
| Acquisition Adjustment | 29 | 568,067 | 115,277 | 0 | 0 | 115,277 | |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 5,054,792 | 447,931 | 0 | 1,491,741 | |
| Net Electric Plant in Service | | 30,594,689 | 4,543,486 | 364,581 | 0 | 1,648,009 | |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 130,470 | 11,179 | 0 | 41,728 | |
| Prepayments | 26 | 9,483 | 1,404 | 119 | 0 | 459 | |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 50,902 | 0 | |
| Unamortized Loss on Debt | 26 | 251,553 | 37,241 | 3,153 | 0 | 12,182 | |
| Total Additions | | 1,380,468 | 169,115 | 14,451 | 50,902 | 54,369 | |
| Total Before Deductions | | 31,975,157 | 4,712,601 | 379,032 | 50,902 | 1,702,378 | |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (1,421,724) | (120,352) | 0 | (465,069) | |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | |
| Customer Advances For Construction | Direct | (73,315) | 0 | (739) | 0 | (2,759) | |
| Total Deductions | | (9,676,674) | (1,421,724) | (121,091) | 0 | (467,828) | |
| Total Rate Base | | 22,298,483 | 3,290,877 | 257,941 | 50,902 | 1,234,550 | |
| Rate of Return | | 8.35% | (16.45%) | 40.29% | 2138.61% | (10.01%) | 10.91% |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 | |
|--|--------------------|---------------------------------|---------------------|----------------|------------------|----------------------------|------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 46,834 | 231,193 | 2,517,042 | 279,232 | |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | |
| Total Electric Retail Sales Revenues | | 13,595,375 | 46,834 | 231,193 | 2,517,042 | 279,232 | 3,074,301 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 7,358 | 0 | 7,358 |
| Total Sales Revenues | | 13,630,444 | 46,834 | 231,193 | 2,524,400 | 279,232 | 3,081,659 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 921 | 74 | 0 | 334 | 1,329 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 386 | 0 | 2,363 | 2,749 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 28,853 | 0 | 0 | 0 | 28,853 |
| Miscellaneous | 27 | 12,385 | 1,839 | 148 | 0 | 667 | 2,654 |
| Other Rent from Electric Property | 27 | 78,750 | 11,695 | 938 | 0 | 4,242 | 16,875 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 177 | 0 | 660 | 837 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 12 | 0 | 43 | 55 |
| Patronage Dividends | 23 | 3,083 | 391 | 29 | 0 | 216 | 636 |
| Joint Use Agreements | 30 | 5,573 | 1,123 | 0 | 0 | 0 | 1,123 |
| Wheeling Fees | 30 | 124,698 | 25,134 | 0 | 0 | 0 | 25,134 |
| Miscellaneous | 23 | 157,421 | 19,968 | 1,503 | 0 | 11,045 | 32,516 |
| Total Other Revenues | | 701,821 | 89,924 | 3,267 | 0 | 19,570 | 112,761 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | Total SG Secondary Rate 20 |
|---|-------------------|--------------------|---------------------------------|---------------------|------------------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 |
| Unbilled Revenue | 45 | (93,448) | (322) | (1,589) | (17,301) | (1,919) |
| Total Operating Revenues | | 14,238,817 | 136,436 | 232,871 | 2,507,099 | 296,883 |
| Operation & Maintenance Expenses | | | | | | |
| Production Expense | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 817,147 | 0 |
| F&PP - Demand | Direct | 232,364 | 46,834 | 0 | 0 | 0 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 15,189 | 0 |
| Other Production | 2 | 1,298,466 | 261,714 | 0 | 0 | 0 |
| Total Production Expense | | 5,497,808 | 308,548 | 0 | 832,336 | 0 |
| Transmission Expense | 2 | 1,148,737 | 231,535 | 0 | 0 | 0 |
| Distribution Expenses | | | | | | |
| Operation | | | | | | |
| Station | 4 | 39,675 | 0 | 7,333 | 0 | 0 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 5,021 | 0 | 30,749 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 27,180 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 3,506 |
| Supervision & Engineering | 21 | 71,806 | 0 | 2,656 | 0 | 13,209 |
| Miscellaneous | 21 | 263,256 | 0 | 9,738 | 0 | 48,425 |
| Rents | 14 | 14,509 | 0 | 698 | 0 | 2,605 |
| Total Operation Expense | | 683,553 | 0 | 25,446 | 0 | 125,674 |
| Maintenance | | | | | | |
| Station | 4 | 8,593 | 0 | 1,588 | 0 | 0 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 7,276 | 0 | 44,560 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 1,888 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 13 |
| Supervision & Engineering | 22 | 24,705 | 0 | 734 | 0 | 3,848 |
| Miscellaneous | 22 | 70,172 | 0 | 2,085 | 0 | 10,931 |
| Total Maintenance Expense | | 393,137 | 0 | 11,683 | 0 | 61,240 |
| Total Distribution Expenses | | 1,076,690 | 0 | 37,129 | 0 | 186,914 |

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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | Total SG Secondary Rate 20 | |
|---|-------------------|--------------------|---------------------------------|---------------------|-----------------|----------------------------|------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 75,452 | 75,452 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 5,679 | 5,679 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 4,781 | 4,781 |
| Administrative & General Expenses | 24 | 1,453,539 | 184,371 | 13,878 | 0 | 101,979 | 300,228 |
| Total Electric O&M Expenses | | 9,541,553 | 724,454 | 51,007 | 832,336 | 374,805 | 1,982,602 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 46,834 | 0 | 832,336 | 0 | 879,170 |
| Other O&M Expenses | | 5,342,211 | 677,620 | 51,007 | 0 | 374,805 | 1,103,432 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 724,454 | 51,007 | 832,336 | 374,805 | 1,982,602 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 121,482 | 0 | 0 | 0 | 121,482 |
| Wind Production Plant | 3 | 284,287 | 59,261 | 0 | 0 | 0 | 59,261 |
| Total Production Plant | | 887,005 | 180,743 | 0 | 0 | 0 | 180,743 |
| Transmission Plant | 2 | 293,657 | 59,188 | 0 | 0 | 0 | 59,188 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 85 | 0 | 0 | 85 |
| Station Equipment | 4 | 41,316 | 0 | 7,636 | 0 | 0 | 7,636 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 5,938 | 0 | 36,367 | 42,305 |
| Line Transformers | 19 | 96,379 | 0 | 4,102 | 0 | 26,836 | 30,938 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 8,740 | 8,740 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 12,442 | 12,442 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 17,761 | 0 | 84,385 | 102,146 |
| General, Common & Intangible Plant | 13 | 156,953 | 23,354 | 2,001 | 0 | 7,469 | 32,824 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 7,349 | 7,349 |
| Acquisition Adjustment | 29 | 684 | 139 | 0 | 0 | 0 | 139 |
| Total Depreciation Expense | | 1,844,338 | 263,424 | 19,762 | 0 | 99,203 | 382,389 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | Total SG Secondary Rate 20 |
|--|-------------------|--------------------|---------------------------------|---------------------|-----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 20,823 | 0 | 0 | 20,823 |
| Transmission Plant | 30 | 87,802 | 17,697 | 0 | 0 | 17,697 |
| Distribution Plant | 14 | 147,791 | 0 | 7,110 | 0 | 33,649 |
| General, Common & Intangible Plant | 13 | 51,458 | 7,657 | 656 | 0 | 10,762 |
| Total Ad Valorem Taxes | | 389,662 | 46,177 | 7,766 | 0 | 82,931 |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 30,493 | 2,295 | 0 | 49,655 |
| Total Taxes Other Than Income Taxes | | 630,066 | 76,670 | 10,061 | 0 | 132,586 |
| Total Operating Expense | | 12,015,957 | 1,064,548 | 80,830 | 832,336 | 2,497,577 |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 92,728 | 7,441 | 0 | 133,803 |
| Taxable Income Before Adjustments | | 1,598,450 | (1,020,840) | 144,600 | 1,674,763 | 541,909 |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 632,154 | 53,513 | 0 | 892,455 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 1,083 | 92 | 0 | 1,529 |
| Total Deductions | | 4,277,341 | 633,237 | 53,605 | 0 | 893,984 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (1,654,077) | 90,995 | 1,674,763 | (352,075) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (1,654,077) | 90,995 | 1,674,763 | (352,075) |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (578,927) | 31,848 | 586,167 | (123,227) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (48,954) | (4,144) | 0 | (69,111) |
| Federal and State Income Taxes | | (1,268,280) | (627,881) | 27,704 | 586,167 | (192,338) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 28,336 | 2,399 | 0 | 40,004 |
| Federal & State Income Taxes | | (1,076,876) | (599,545) | 30,103 | 586,167 | (152,334) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 |
|---|-------------------|--------------------|---------------------------------|---------------------|-----------|-----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 204,314 | 17,296 | 0 | 66,834 | 288,444 |
| Closing/Filing & Out of Period | 26 | 57,361 | 8,492 | 719 | 0 | 2,778 | 11,989 |
| Total Deferred Income Taxes | | 1,437,447 | 212,806 | 18,015 | 0 | 69,612 | 300,433 |
| Total Operating Expenses | | 12,376,528 | 677,809 | 128,948 | 1,418,503 | 420,416 | 2,645,676 |
| Total Operating Income | | 1,862,289 | (541,373) | 103,923 | 1,088,596 | (123,533) | 527,613 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 1,948,600 | 0 | 0 | 0 | 1,948,600 |
| Wind Production | 3 | 11,268,091 | 2,348,870 | 0 | 0 | 0 | 2,348,870 |
| Transmission | 2 | 549,643 | 110,784 | 0 | 0 | 0 | 110,784 |
| Distribution | 14 | 425,836 | 0 | 20,486 | 0 | 76,468 | 96,954 |
| General, Common & Intangible | 13 | 88,738 | 13,204 | 1,131 | 0 | 4,223 | 18,558 |
| Acquisition Adjustment | 29 | (13,346) | (2,708) | 0 | 0 | 0 | (2,708) |
| Plant Additions | | 21,986,739 | 4,418,750 | 21,617 | 0 | 80,691 | 4,521,058 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 174,151 | 0 | 0 | 0 | 174,151 |
| Wind Production | 49 | 592,647 | 123,539 | 0 | 0 | 0 | 123,539 |
| Transmission | 2 | 275,449 | 55,518 | 0 | 0 | 0 | 55,518 |
| Distribution | 14 | 292,272 | 0 | 14,060 | 0 | 52,484 | 66,544 |
| General, Common & Intangible | 13 | (69,964) | (10,410) | (892) | 0 | (3,330) | (14,632) |
| Acquisition Adjustment | 29 | (13,016) | (2,641) | 0 | 0 | 0 | (2,641) |
| Plant Additions | | 1,941,421 | 340,157 | 13,168 | 0 | 49,154 | 402,479 |
| Net Adjustment to Plant | | 20,045,318 | 4,078,593 | 8,449 | 0 | 31,537 | 4,118,579 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | Total SG Secondary Rate 20 | |
|--|-------------------|--------------------|---------------------------------|---------------------|-----------------|----------------------------|-----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (8,642) | (740) | 0 | (2,764) | (12,146) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (756) | 0 | (756) |
| Prepayments - Adjustment G | 26 | 37,894 | 5,610 | 475 | 0 | 1,835 | 7,920 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (4,248) | (360) | 0 | (1,389) | (5,997) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 155,932 | 0 | 0 | 0 | 155,932 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (13,714) | 0 | 0 | 0 | (13,714) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (7,618) | 0 | 0 | 0 | (7,618) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 56,859 | 4,280 | 0 | 31,450 | 92,589 |
| Total | | 1,063,583 | 184,179 | 3,655 | (756) | 29,132 | 216,210 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 82,110 | 6,951 | 0 | 26,860 | 115,921 |
| Normalization - Adjustment M | 26 | (25,826) | (3,823) | (324) | 0 | (1,251) | (5,398) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (28) | (137) | (1,492) | (165) | (1,822) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 149,589 | 0 | 0 | 0 | 149,589 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 123,586 | 0 | 0 | 0 | 123,586 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 54,576 | 0 | 0 | 0 | 54,576 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (4,800) | 0 | 0 | 0 | (4,800) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (2,666) | 0 | 0 | 0 | (2,666) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | (4) | 0 | (15) | (19) |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 19,901 | 1,498 | 0 | 11,007 | 32,406 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 12 | 0 | 43 | 55 |
| Total | | 2,247,158 | 418,445 | 7,996 | (1,492) | 36,479 | 461,428 |
| Total Pro Forma Adjustments | | 18,861,743 | 3,844,327 | 4,108 | 736 | 24,190 | 3,873,361 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 |
|---|--------------------|---------------------------------|---------------------|---------|----------|----------------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Pro Forma Adjustments - Operating Income | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | (40,256) | 3,529 | 106,586 | 3,170 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (40,256) | 3,529 | 106,586 | 3,170 |
| Unbilled Revenue | 45 | 93,448 | 322 | 1,589 | 17,301 | 1,919 |
| Total | | 334,215 | (39,934) | 5,118 | 123,887 | 5,089 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (7,358) | 0 |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (18,499) | (1,392) | 0 | (10,232) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (58,433) | 3,726 | 116,529 | (5,143) |
| Operation & Maintenance Expenses | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (22,255) | 0 |
| F&PP - Demand | Direct | (199,724) | (40,256) | 0 | 0 | 0 |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (40,256) | 0 | (22,255) | 0 |
| Other O&M | | | | | | |
| Production | 47 | 359,837 | 20,195 | 0 | 54,477 | 0 |
| Transmission | 2 | 213,540 | 43,040 | 0 | 0 | 0 |
| Distribution | 21 | 21,844 | 0 | 808 | 0 | 4,018 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 1,134 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 141 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (378) |
| Administrative & General | 24 | 206,532 | 26,197 | 1,972 | 0 | 14,490 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 89,432 | 2,780 | 54,477 | 19,405 |
| Total Adjustments to O&M | | 499,424 | 49,176 | 2,780 | 32,222 | 19,405 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 | |
|---|--------------------|---------------------------------|---------------------|---------|----------|----------------------------|-----------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 76,749 | 0 | 0 | 0 | 76,749 |
| Wind Production | 3 | 592,647 | 123,539 | 0 | 0 | 0 | 123,539 |
| Transmission Plant | 30 | 20,395 | 4,111 | 0 | 0 | 0 | 4,111 |
| Distribution Plant | 14 | 6,913 | 0 | 333 | 0 | 1,241 | 1,574 |
| General, Common & Intangible Plant | 13 | 23,006 | 3,423 | 293 | 0 | 1,095 | 4,811 |
| Acquisition Adjustment | 29 | (684) | (139) | 0 | 0 | 0 | (139) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 16,526 | 0 | 0 | 0 | 16,526 |
| Decommissioning of Power Plants | 29 | 136,083 | 27,615 | 0 | 0 | 0 | 27,615 |
| Retired Power Plant Amortization | 29 | (3,979) | (807) | 0 | 0 | 0 | (807) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 251,017 | 626 | 0 | 2,336 | 253,979 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 13,201 | 0 | 0 | 0 | 13,201 |
| Transmission Plant | 30 | 3,198 | 645 | 0 | 0 | 0 | 645 |
| Distribution Plant | 14 | 4,016 | 0 | 193 | 0 | 721 | 914 |
| General Plant | 13 | 2,882 | 429 | 37 | 0 | 137 | 603 |
| Common & Intangible Plant | 13 | 753 | 112 | 10 | 0 | 36 | 158 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 14,387 | 240 | 0 | 894 | 15,521 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 899 | 68 | 0 | 497 | 1,464 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 92 | 7 | 0 | 51 | 150 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 4,331 | 0 | 0 | 0 | 4,331 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 19,709 | 315 | 0 | 1,442 | 21,466 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 64,914 | 5,209 | 0 | 23,545 | 93,668 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 28,299 | 0 | 0 | 0 | 28,299 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 427,396 | 0 | 0 | 0 | 427,396 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 353,103 | 0 | 0 | 0 | 353,103 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (10,296) | 0 | 0 | 0 | (10,296) |
| | | 4,340,233 | 863,416 | 5,209 | 0 | 23,545 | 892,170 |
| Net Adjustments to Operating Income | | (4,787,574) | (989,927) | (4,578) | 84,307 | (49,535) | (959,733) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Small General Secondary Rate 20 | | | | Total SG Secondary Rate 20 | |
|--|--------------------|---------------------------------|---------------------|----------------|---------------|----------------------------|------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (434,613) | (1,821) | 29,507 | (18,155) | (425,082) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (102,114) | 0 | 0 | 0 | (102,114) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (28,336) | (2,399) | 0 | (9,269) | (40,004) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (565,063) | (4,220) | 29,507 | (27,424) | (567,200) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 27,215 | 2,304 | 0 | 8,903 | 38,422 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 159,426 | 0 | 0 | 0 | 159,426 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 123,586 | 0 | 0 | 0 | 123,586 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 310,227 | 2,304 | 0 | 8,903 | 321,434 |
| Total Adjustments to Income: | | (462,802) | (123,499) | 1,921 | 54,800 | (9,805) | (76,583) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|--|-------------------|--------------------|--------------------------|---------------------|----------|---------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Rate Base | | | | | | | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 35,706 | 0 | 0 | 0 | 35,706 |
| Wind Production Plant | 3 | 5,635,424 | 6,214 | 0 | 0 | 0 | 6,214 |
| Total Production Plant | | 28,338,743 | 41,920 | 0 | 0 | 0 | 41,920 |
| Transmission Plant | 2 | 15,126,422 | 23,790 | 0 | 0 | 0 | 23,790 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 88 | 0 | 0 | 88 |
| Rights of Way | 4 | 34,047 | 0 | 96 | 0 | 0 | 96 |
| Station Equipment | 4 | 2,256,586 | 0 | 6,341 | 0 | 0 | 6,341 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 2,321 | 2,321 |
| Demand Related | 4.1 | 807,627 | 0 | 2,269 | 0 | 0 | 2,269 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 16,367 | 16,367 |
| Demand Related | 5 | 949,905 | 0 | 2,669 | 0 | 0 | 2,669 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 2,157 | 2,157 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 1,156 | 1,156 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 11,463 | 0 | 22,001 | 33,464 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 5,103 | 890 | 0 | 1,709 | 7,702 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 271 | 271 |
| Acquisition Adjustment | 29 | 568,397 | 841 | 0 | 0 | 0 | 841 |
| Total Electric Plant in Service | | 64,833,736 | 71,654 | 12,353 | 0 | 23,981 | 107,988 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | Total Irrigation Rate 25 | |
|--|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------|-------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 19,399 | 0 | 0 | 19,399 | |
| Wind Production Plant | 3 | 1,281,689 | 1,413 | 0 | 0 | 1,413 | |
| Total Production Plant | | 13,616,278 | 20,812 | 0 | 0 | 20,812 | |
| Transmission Plant | 2 | 9,034,445 | 14,209 | 0 | 0 | 14,209 | |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 75 | 0 | 75 | |
| Station Equipment | 4 | 1,371,002 | 0 | 3,853 | 0 | 3,853 | |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 1,467 | 0 | 1,501 | |
| Line Transformers | 19 | 1,452,819 | 0 | 940 | 0 | 5,765 | |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 1,969 | |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 5 | |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | |
| Distribution Plant | | 8,520,016 | 0 | 6,335 | 0 | 9,240 | |
| General, Common & Intangible Plant | 13 | 2,454,896 | 2,728 | 476 | 0 | 913 | |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 23 | |
| Acquisition Adjustment | 29 | 568,067 | 840 | 0 | 0 | 840 | |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 38,589 | 6,811 | 0 | 10,176 | |
| Net Electric Plant in Service | | 30,594,689 | 33,065 | 5,542 | 0 | 13,805 | |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 974 | 170 | 0 | 326 | |
| Prepayments | 26 | 9,483 | 10 | 2 | 0 | 4 | |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 245 | 0 | |
| Unamortized Loss on Debt | 26 | 251,553 | 278 | 48 | 0 | 93 | |
| Total Additions | | 1,380,468 | 1,262 | 220 | 245 | 423 | |
| Total Before Deductions | | 31,975,157 | 34,327 | 5,762 | 245 | 14,228 | |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (10,614) | (1,830) | 0 | (3,552) | |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | |
| Total Deductions | | (9,676,674) | (10,614) | (1,830) | 0 | (3,552) | |
| Total Rate Base | | 22,298,483 | 23,713 | 3,932 | 245 | 10,676 | |
| Rate of Return | | 8.35% | (17.48%) | 136.83% | 528.57% | (9.78%) | 3.85% |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|--|-------------------|--------------------|--------------------------|---------------------|--------------|-----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 365 | 9,398 | 6,004 | 0 | 15,767 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 365 | 9,398 | 6,004 | 0 | 15,767 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 35 | 0 | 35 |
| Total Sales Revenues | | 13,630,444 | 365 | 9,398 | 6,039 | 0 | 15,802 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 7 | 1 | 0 | 3 | 11 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 6 | 0 | 6 | 12 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 225 | 0 | 0 | 0 | 225 |
| Miscellaneous | 27 | 12,385 | 13 | 2 | 0 | 6 | 21 |
| Other Rent from Electric Property | 27 | 78,750 | 85 | 14 | 0 | 36 | 135 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 3 | 0 | 5 | 8 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 0 | 0 | 0 | 0 |
| Patronage Dividends | 23 | 3,083 | 3 | 0 | 0 | 1 | 4 |
| Joint Use Agreements | 30 | 5,573 | 9 | 0 | 0 | 0 | 9 |
| Wheeling Fees | 30 | 124,698 | 196 | 0 | 0 | 0 | 196 |
| Miscellaneous | 23 | 157,421 | 156 | 23 | 0 | 31 | 210 |
| Total Other Revenues | | 701,821 | 694 | 49 | 0 | 88 | 831 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|---|-------------------|--------------------|--------------------------|---------------------|--------------|------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unbilled Revenue | 45 | (93,448) | (3) | (65) | (41) | 0 | (109) |
| Total Operating Revenues | | 14,238,817 | 1,056 | 9,382 | 5,998 | 88 | 16,524 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 3,933 | 0 | 3,933 |
| F&PP - Demand | Direct | 232,364 | 365 | 0 | 0 | 0 | 365 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 73 | 0 | 73 |
| Other Production | 2 | 1,298,466 | 2,042 | 0 | 0 | 0 | 2,042 |
| Total Production Expense | | 5,497,808 | 2,407 | 0 | 4,006 | 0 | 6,413 |
| Transmission Expense | 2 | 1,148,737 | 1,807 | 0 | 0 | 0 | 1,807 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 111 | 0 | 0 | 111 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 76 | 0 | 78 | 154 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 90 | 90 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 9 | 9 |
| Supervision & Engineering | 21 | 71,806 | 0 | 40 | 0 | 38 | 78 |
| Miscellaneous | 21 | 263,256 | 0 | 147 | 0 | 140 | 287 |
| Rents | 14 | 14,509 | 0 | 11 | 0 | 20 | 31 |
| Total Operation Expense | | 683,553 | 0 | 385 | 0 | 375 | 760 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 24 | 0 | 0 | 24 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 111 | 0 | 113 | 224 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 27 | 27 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 0 | 0 |
| Supervision & Engineering | 22 | 24,705 | 0 | 11 | 0 | 12 | 23 |
| Miscellaneous | 22 | 70,172 | 0 | 32 | 0 | 33 | 65 |
| Total Maintenance Expense | | 393,137 | 0 | 178 | 0 | 185 | 363 |
| Total Distribution Expenses | | 1,076,690 | 0 | 563 | 0 | 560 | 1,123 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|---|-------------------|--------------------|--------------------------|---------------------|--------------|--------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 178 | 178 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 13 | 13 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 12 | 12 |
| Administrative & General Expenses | 24 | 1,453,539 | 1,439 | 210 | 0 | 285 | 1,934 |
| Total Electric O&M Expenses | | 9,541,553 | 5,653 | 773 | 4,006 | 1,048 | 11,480 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 365 | 0 | 4,006 | 0 | 4,371 |
| Other O&M Expenses | | 5,342,211 | 5,288 | 773 | 0 | 1,048 | 7,109 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 5,653 | 773 | 4,006 | 1,048 | 11,480 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 948 | 0 | 0 | 0 | 948 |
| Wind Production Plant | 3 | 284,287 | 313 | 0 | 0 | 0 | 313 |
| Total Production Plant | | 887,005 | 1,261 | 0 | 0 | 0 | 1,261 |
| Transmission Plant | 2 | 293,657 | 462 | 0 | 0 | 0 | 462 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 1 | 0 | 0 | 1 |
| Station Equipment | 4 | 41,316 | 0 | 116 | 0 | 0 | 116 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 90 | 0 | 92 | 182 |
| Line Transformers | 19 | 96,379 | 0 | 62 | 0 | 382 | 444 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 47 | 47 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 41 | 41 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 269 | 0 | 562 | 831 |
| General, Common & Intangible Plant | 13 | 156,953 | 174 | 30 | 0 | 58 | 262 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 19 | 19 |
| Acquisition Adjustment | 29 | 684 | 1 | 0 | 0 | 0 | 1 |
| Total Depreciation Expense | | 1,844,338 | 1,898 | 299 | 0 | 639 | 2,836 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|--|-------------------|--------------------|--------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem Taxes | | | | | | | |
| Production Plant | 29 | 102,611 | 152 | 0 | 0 | 0 | 152 |
| Transmission Plant | 30 | 87,802 | 138 | 0 | 0 | 0 | 138 |
| Distribution Plant | 14 | 147,791 | 0 | 108 | 0 | 207 | 315 |
| General, Common & Intangible Plant | 13 | 51,458 | 57 | 10 | 0 | 19 | 86 |
| Total Ad Valorem Taxes | | 389,662 | 347 | 118 | 0 | 226 | 691 |
| Other Taxes | | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 238 | 35 | 0 | 47 | 320 |
| Total Taxes Other Than Income Taxes | | 630,066 | 585 | 153 | 0 | 273 | 1,011 |
| Total Operating Expense | | 12,015,957 | 8,136 | 1,225 | 4,006 | 1,960 | 15,327 |
| Income Taxes | | | | | | | |
| Interest Expense | 27 | 624,410 | 675 | 113 | 0 | 282 | 1,070 |
| Taxable Income Before Adjustments | | 1,598,450 | (7,755) | 8,044 | 1,992 | (2,154) | 127 |
| Deductions | | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 4,719 | 814 | 0 | 1,579 | 7,112 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 8 | 1 | 0 | 3 | 12 |
| Total Deductions | | 4,277,341 | 4,727 | 815 | 0 | 1,582 | 7,124 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (12,482) | 7,229 | 1,992 | (3,736) | (6,997) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (12,482) | 7,229 | 1,992 | (3,736) | (6,997) |
| Federal Income Tax | | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (4,369) | 2,530 | 697 | (1,308) | (2,450) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (365) | (63) | 0 | (122) | (550) |
| Federal and State Income Taxes | | (1,268,280) | (4,734) | 2,467 | 697 | (1,430) | (3,000) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 212 | 36 | 0 | 71 | 319 |
| Federal & State Income Taxes | | (1,076,876) | (4,522) | 2,503 | 697 | (1,359) | (2,681) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | Total Irrigation Rate 25 | |
|---|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------|---------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 1,525 | 263 | 0 | 510 | 2,298 |
| Closing/Filing & Out of Period | 26 | 57,361 | 63 | 11 | 0 | 21 | 95 |
| Total Deferred Income Taxes | | 1,437,447 | 1,588 | 274 | 0 | 531 | 2,393 |
| Total Operating Expenses | | 12,376,528 | 5,202 | 4,002 | 4,703 | 1,132 | 15,039 |
| Total Operating Income | | 1,862,289 | (4,146) | 5,380 | 1,295 | (1,044) | 1,485 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 15,205 | 0 | 0 | 0 | 15,205 |
| Wind Production | 3 | 11,268,091 | 12,426 | 0 | 0 | 0 | 12,426 |
| Transmission | 2 | 549,643 | 864 | 0 | 0 | 0 | 864 |
| Distribution | 14 | 425,836 | 0 | 311 | 0 | 598 | 909 |
| General, Common & Intangible | 13 | 88,738 | 99 | 17 | 0 | 33 | 149 |
| Acquisition Adjustment | 29 | (13,346) | (20) | 0 | 0 | 0 | (20) |
| Plant Additions | | 21,986,739 | 28,574 | 328 | 0 | 631 | 29,533 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 1,359 | 0 | 0 | 0 | 1,359 |
| Wind Production | 49 | 592,647 | 654 | 0 | 0 | 0 | 654 |
| Transmission | 2 | 275,449 | 433 | 0 | 0 | 0 | 433 |
| Distribution | 14 | 292,272 | 0 | 214 | 0 | 410 | 624 |
| General, Common & Intangible | 13 | (69,964) | (78) | (14) | 0 | (26) | (118) |
| Acquisition Adjustment | 29 | (13,016) | (19) | 0 | 0 | 0 | (19) |
| Plant Additions | | 1,941,421 | 2,349 | 200 | 0 | 384 | 2,933 |
| Net Adjustment to Plant | | 20,045,318 | 26,225 | 128 | 0 | 247 | 26,600 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|--|-------------------|--------------------|--------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (65) | (11) | 0 | (22) | (98) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (4) | 0 | (4) |
| Prepayments - Adjustment G | 26 | 37,894 | 42 | 7 | 0 | 14 | 63 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (32) | (5) | 0 | (11) | (48) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 1,217 | 0 | 0 | 0 | 1,217 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (107) | 0 | 0 | 0 | (107) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (59) | 0 | 0 | 0 | (59) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 444 | 65 | 0 | 88 | 597 |
| Total | | 1,063,583 | 1,440 | 56 | (4) | 69 | 1,561 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 613 | 106 | 0 | 205 | 924 |
| Normalization - Adjustment M | 26 | (25,826) | (29) | (5) | 0 | (10) | (44) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | 0 | (6) | (4) | 0 | (10) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 1,167 | 0 | 0 | 0 | 1,167 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 654 | 0 | 0 | 0 | 654 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 426 | 0 | 0 | 0 | 426 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (37) | 0 | 0 | 0 | (37) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (21) | 0 | 0 | 0 | (21) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 155 | 23 | 0 | 31 | 209 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 2,928 | 118 | (4) | 226 | 3,268 |
| Total Pro Forma Adjustments | | 18,861,743 | 24,737 | 66 | 0 | 90 | 24,893 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|---|--------------------|--------------------------|---------------------|---------|----------|--------------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Pro Forma Adjustments - Operating Income | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | (314) | (7,823) | (105) | (8,242) |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (314) | (7,823) | (105) | (8,242) |
| Unbilled Revenue | 45 | 93,448 | 3 | 65 | 41 | 109 |
| Total | | 334,215 | (311) | (7,758) | (64) | (8,133) |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (35) | (35) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (144) | (21) | 0 | (194) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (455) | (7,779) | (99) | (8,362) |
| Operation & Maintenance Expenses | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (107) | (107) |
| F&PP - Demand | Direct | (199,724) | (314) | 0 | 0 | (314) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (314) | 0 | (107) | (421) |
| Other O&M | | | | | | |
| Production | 47 | 359,837 | 158 | 0 | 262 | 420 |
| Transmission | 2 | 213,540 | 336 | 0 | 0 | 336 |
| Distribution | 21 | 21,844 | 0 | 12 | 0 | 24 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 3 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 0 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (1) |
| Administrative & General | 24 | 206,532 | 204 | 30 | 0 | 275 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 698 | 42 | 262 | 1,057 |
| Total Adjustments to O&M | | 499,424 | 384 | 42 | 155 | 636 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 |
|---|-------------------|--------------------|--------------------------|---------------------|--------------|--------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 559 | 0 | 0 | 0 | 559 |
| Wind Production | 3 | 592,647 | 654 | 0 | 0 | 0 | 654 |
| Transmission Plant | 30 | 20,395 | 32 | 0 | 0 | 0 | 32 |
| Distribution Plant | 14 | 6,913 | 0 | 5 | 0 | 10 | 15 |
| General, Common & Intangible Plant | 13 | 23,006 | 26 | 4 | 0 | 9 | 39 |
| Acquisition Adjustment | 29 | (684) | (1) | 0 | 0 | 0 | (1) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 120 | 0 | 0 | 0 | 120 |
| Decommissioning of Power Plants | 29 | 136,083 | 201 | 0 | 0 | 0 | 201 |
| Retired Power Plant Amortization | 29 | (3,979) | (6) | 0 | 0 | 0 | (6) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 1,585 | 9 | 0 | 19 | 1,613 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 96 | 0 | 0 | 0 | 96 |
| Transmission Plant | 30 | 3,198 | 5 | 0 | 0 | 0 | 5 |
| Distribution Plant | 14 | 4,016 | 0 | 3 | 0 | 6 | 9 |
| General Plant | 13 | 2,882 | 3 | 1 | 0 | 1 | 5 |
| Common & Intangible Plant | 13 | 753 | 1 | 0 | 0 | 0 | 1 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 105 | 4 | 0 | 7 | 116 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 7 | 1 | 0 | 1 | 9 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 1 | 0 | 0 | 0 | 1 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 34 | 0 | 0 | 0 | 34 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 147 | 5 | 0 | 8 | 160 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 472 | 79 | 0 | 197 | 748 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 206 | 0 | 0 | 0 | 206 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 3,335 | 0 | 0 | 0 | 3,335 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 1,868 | 0 | 0 | 0 | 1,868 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (75) | 0 | 0 | 0 | (75) |
| | | 4,340,233 | 5,806 | 79 | 0 | 197 | 6,082 |
| Net Adjustments to Operating Income | | (4,787,574) | (6,786) | (7,905) | (254) | (289) | (15,234) |

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014**

| Allocation Factor | Total South Dakota | Irrigation Power Rate 25 | | | | Total Irrigation Rate 25 | |
|--|-----------------------|--------------------------|------------------------|----------------|--------------|--------------------------------|----------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (2,932) | (2,770) | (89) | (108) | (5,899) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (540) | 0 | 0 | 0 | (540) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (212) | (36) | 0 | (71) | (319) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (3,684) | (2,806) | (89) | (179) | (6,758) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 203 | 35 | 0 | 68 | 306 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 1,244 | 0 | 0 | 0 | 1,244 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 654 | 0 | 0 | 0 | 654 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 2,101 | 35 | 0 | 68 | 2,204 |
| Total Adjustments to Income: | | (462,802) | (988) | (5,064) | (165) | 0 | (6,217) |

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014**

| Rate Base | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|-------------------------------------|-------------------|--------------------|---------------------------------|---------------------|--------|----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 5,430,117 | 0 | 0 | 0 | 5,430,117 |
| Wind Production Plant | 3 | 5,635,424 | 1,372,650 | 0 | 0 | 0 | 1,372,650 |
| Total Production Plant | | 28,338,743 | 6,802,767 | 0 | 0 | 0 | 6,802,767 |
| Transmission Plant | 2 | 15,126,422 | 3,617,896 | 0 | 0 | 0 | 3,617,896 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 7,148 | 0 | 0 | 7,148 |
| Rights of Way | 4 | 34,047 | 0 | 7,783 | 0 | 0 | 7,783 |
| Station Equipment | 4 | 2,256,586 | 0 | 515,834 | 0 | 0 | 515,834 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 52,001 | 52,001 |
| Demand Related | 4.1 | 807,627 | 0 | 184,616 | 0 | 0 | 184,616 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 224,067 | 224,067 |
| Demand Related | 5 | 949,905 | 0 | 217,143 | 0 | 0 | 217,143 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 44,504 | 44,504 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 92,511 | 92,511 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 932,524 | 0 | 413,083 | 1,345,607 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 809,296 | 72,422 | 0 | 32,081 | 913,799 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 6,078 | 6,078 |
| Acquisition Adjustment | 29 | 568,397 | 136,445 | 0 | 0 | 0 | 136,445 |
| Total Electric Plant in Service | | 64,833,736 | 11,366,404 | 1,004,946 | 0 | 451,242 | 12,822,592 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|--|-------------------|--------------------|---------------------------------|---------------------|----------|----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 2,950,153 | 0 | 0 | 0 | 2,950,153 |
| Wind Production Plant | 3 | 1,281,689 | 312,188 | 0 | 0 | 0 | 312,188 |
| Total Production Plant | | 13,616,278 | 3,262,341 | 0 | 0 | 0 | 3,262,341 |
| Transmission Plant | 2 | 9,034,445 | 2,160,833 | 0 | 0 | 0 | 2,160,833 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 6,061 | 0 | 0 | 6,061 |
| Station Equipment | 4 | 1,371,002 | 0 | 313,398 | 0 | 0 | 313,398 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 119,365 | 0 | 33,622 | 152,987 |
| Line Transformers | 19 | 1,452,819 | 0 | 76,484 | 0 | 78,923 | 155,407 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 40,627 | 40,627 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 370 | 370 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 8,520,016 | 0 | 515,308 | 0 | 153,542 | 668,850 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 432,578 | 38,711 | 0 | 17,148 | 488,437 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 515 | 515 |
| Acquisition Adjustment | 29 | 568,067 | 136,366 | 0 | 0 | 0 | 136,366 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 5,992,118 | 554,019 | 0 | 171,205 | 6,717,342 |
| Net Electric Plant in Service | | 30,594,689 | 5,374,286 | 450,927 | 0 | 280,037 | 6,105,250 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 154,506 | 13,826 | 0 | 6,125 | 174,457 |
| Prepayments | 26 | 9,483 | 1,663 | 147 | 0 | 66 | 1,876 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 59,303 | 0 | 59,303 |
| Unamortized Loss on Debt | 26 | 251,553 | 44,101 | 3,899 | 0 | 1,751 | 49,751 |
| Total Additions | | 1,380,468 | 200,270 | 17,872 | 59,303 | 7,942 | 285,387 |
| Total Before Deductions | | 31,975,157 | 5,574,556 | 468,799 | 59,303 | 287,979 | 6,390,637 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (1,683,624) | (148,856) | 0 | (66,839) | (1,899,319) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | (42,811) | 0 | (18,965) | (61,776) |
| Total Deductions | | (9,676,674) | (1,683,624) | (191,667) | 0 | (85,804) | (1,961,095) |
| Total Rate Base | | 22,298,483 | 3,890,932 | 277,132 | 59,303 | 202,175 | 4,429,542 |
| Rate of Return | | 8.35% | (16.50%) | 146.39% | 1144.99% | (12.01%) | 9.45% |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|--|-------------------|--------------------|---------------------------------|---------------------|------------------|---------------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 55,576 | 715,294 | 2,019,648 | 19,985 | 2,810,503 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 55,576 | 715,294 | 2,019,648 | 19,985 | 2,810,503 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 8,572 | 0 | 8,572 |
| Total Sales Revenues | | 13,630,444 | 55,576 | 715,294 | 2,028,220 | 19,985 | 2,819,075 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 1,090 | 91 | 0 | 57 | 1,238 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 477 | 0 | 134 | 611 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 34,238 | 0 | 0 | 0 | 34,238 |
| Miscellaneous | 27 | 12,385 | 2,176 | 183 | 0 | 113 | 2,472 |
| Other Rent from Electric Property | 27 | 78,750 | 13,833 | 1,161 | 0 | 721 | 15,715 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 219 | 0 | 97 | 316 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 14 | 0 | 6 | 20 |
| Patronage Dividends | 23 | 3,083 | 464 | 36 | 0 | 26 | 526 |
| Joint Use Agreements | 30 | 5,573 | 1,333 | 0 | 0 | 0 | 1,333 |
| Wheeling Fees | 30 | 124,698 | 29,825 | 0 | 0 | 0 | 29,825 |
| Miscellaneous | 23 | 157,421 | 23,695 | 1,859 | 0 | 1,341 | 26,895 |
| Total Other Revenues | | 701,821 | 106,654 | 4,040 | 0 | 2,495 | 113,189 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|---|-------------------|--------------------|---------------------------------|---------------------|------------------|---------------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unbilled Revenue | 45 | (93,448) | (382) | (4,917) | (13,882) | (137) | (19,318) |
| Total Operating Revenues | | 14,238,817 | 161,848 | 714,417 | 2,014,338 | 22,343 | 2,912,946 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 952,010 | 0 | 952,010 |
| F&PP - Demand | Direct | 232,364 | 55,576 | 0 | 0 | 0 | 55,576 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 17,696 | 0 | 17,696 |
| Other Production | 2 | 1,298,466 | 310,563 | 0 | 0 | 0 | 310,563 |
| Total Production Expense | | 5,497,808 | 366,139 | 0 | 969,706 | 0 | 1,335,845 |
| Transmission Expense | 2 | 1,148,737 | 274,752 | 0 | 0 | 0 | 274,752 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 9,069 | 0 | 0 | 9,069 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 6,210 | 0 | 1,749 | 7,959 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 7,233 | 7,233 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 199 | 199 |
| Supervision & Engineering | 21 | 71,806 | 0 | 3,285 | 0 | 1,974 | 5,259 |
| Miscellaneous | 21 | 263,256 | 0 | 12,043 | 0 | 7,237 | 19,280 |
| Rents | 14 | 14,509 | 0 | 863 | 0 | 382 | 1,245 |
| Total Operation Expense | | 683,553 | 0 | 31,470 | 0 | 18,774 | 50,244 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 1,964 | 0 | 0 | 1,964 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 8,999 | 0 | 2,535 | 11,534 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 368 | 368 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 4 | 4 |
| Supervision & Engineering | 22 | 24,705 | 0 | 908 | 0 | 241 | 1,149 |
| Miscellaneous | 22 | 70,172 | 0 | 2,579 | 0 | 684 | 3,263 |
| Total Maintenance Expense | | 393,137 | 0 | 14,450 | 0 | 3,832 | 18,282 |
| Total Distribution Expenses | | 1,076,690 | 0 | 45,920 | 0 | 22,606 | 68,526 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|---|-------------------|--------------------|---------------------------------|---------------------|----------------|---------------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 9,535 | 9,535 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 718 | 718 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 272 | 272 |
| Administrative & General Expenses | 24 | 1,453,539 | 218,784 | 17,164 | 0 | 12,384 | 248,332 |
| Total Electric O&M Expenses | | 9,541,553 | 859,675 | 63,084 | 969,706 | 45,515 | 1,937,980 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 55,576 | 0 | 969,706 | 0 | 1,025,282 |
| Other O&M Expenses | | 5,342,211 | 804,099 | 63,084 | 0 | 45,515 | 912,698 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 859,675 | 63,084 | 969,706 | 45,515 | 1,937,980 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 144,156 | 0 | 0 | 0 | 144,156 |
| Wind Production Plant | 3 | 284,287 | 69,245 | 0 | 0 | 0 | 69,245 |
| Total Production Plant | | 887,005 | 213,401 | 0 | 0 | 0 | 213,401 |
| Transmission Plant | 2 | 293,657 | 70,236 | 0 | 0 | 0 | 70,236 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 105 | 0 | 0 | 105 |
| Station Equipment | 4 | 41,316 | 0 | 9,444 | 0 | 0 | 9,444 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 7,344 | 0 | 2,069 | 9,413 |
| Line Transformers | 19 | 96,379 | 0 | 5,074 | 0 | 5,236 | 10,310 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 963 | 963 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 3,311 | 3,311 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 21,967 | 0 | 11,579 | 33,546 |
| General, Common & Intangible Plant | 13 | 156,953 | 27,657 | 2,475 | 0 | 1,096 | 31,228 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 418 | 418 |
| Acquisition Adjustment | 29 | 684 | 164 | 0 | 0 | 0 | 164 |
| Total Depreciation Expense | | 1,844,338 | 311,458 | 24,442 | 0 | 13,093 | 348,993 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | Total LG Secondary Rate 30 |
|--|-------------------|--------------------|---------------------------------|---------------------|-----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 24,632 | 0 | 0 | 24,632 |
| Transmission Plant | 30 | 87,802 | 21,000 | 0 | 0 | 21,000 |
| Distribution Plant | 14 | 147,791 | 0 | 8,794 | 3,895 | 12,689 |
| General, Common & Intangible Plant | 13 | 51,458 | 9,067 | 811 | 359 | 10,237 |
| Total Ad Valorem Taxes | | 389,662 | 54,699 | 9,605 | 4,254 | 68,558 |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 36,185 | 2,839 | 2,048 | 41,072 |
| Total Taxes Other Than Income Taxes | | 630,066 | 90,884 | 12,444 | 6,302 | 109,630 |
| Total Operating Expense | | 12,015,957 | 1,262,017 | 99,970 | 969,706 | 2,396,603 |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 109,684 | 9,203 | 5,715 | 124,602 |
| Taxable Income Before Adjustments | | 1,598,450 | (1,209,853) | 605,244 | 1,044,632 | 391,741 |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 748,605 | 66,187 | 29,719 | 844,511 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 1,282 | 113 | 51 | 1,446 |
| Total Deductions | | 4,277,341 | 749,887 | 66,300 | 29,770 | 845,957 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (1,959,740) | 538,944 | 1,044,632 | (454,216) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (1,959,740) | 538,944 | 1,044,632 | (454,216) |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (685,909) | 188,630 | 365,621 | (158,976) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (57,971) | (5,125) | (2,301) | (65,397) |
| Federal and State Income Taxes | | (1,268,280) | (743,880) | 183,505 | 365,621 | (224,373) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 33,556 | 2,967 | 1,332 | 37,855 |
| Federal & State Income Taxes | | (1,076,876) | (710,324) | 186,472 | 365,621 | (186,518) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | Total LG Secondary Rate 30 | |
|---|-------------------|--------------------|---------------------------------|---------------------|-----------|----------------------------|-----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 241,951 | 21,392 | 0 | 9,605 | 272,948 |
| Closing/Filing & Out of Period | 26 | 57,361 | 10,056 | 889 | 0 | 399 | 11,344 |
| Total Deferred Income Taxes | | 1,437,447 | 252,007 | 22,281 | 0 | 10,004 | 284,292 |
| Total Operating Expenses | | 12,376,528 | 803,700 | 308,723 | 1,335,327 | 46,627 | 2,494,377 |
| Total Operating Income | | 1,862,289 | (641,852) | 405,694 | 679,011 | (24,284) | 418,569 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 2,312,312 | 0 | 0 | 0 | 2,312,312 |
| Wind Production | 3 | 11,268,091 | 2,744,628 | 0 | 0 | 0 | 2,744,628 |
| Transmission | 2 | 549,643 | 131,462 | 0 | 0 | 0 | 131,462 |
| Distribution | 14 | 425,836 | 0 | 25,338 | 0 | 11,224 | 36,562 |
| General, Common & Intangible | 13 | 88,738 | 15,637 | 1,399 | 0 | 620 | 17,656 |
| Acquisition Adjustment | 29 | (13,346) | (3,204) | 0 | 0 | 0 | (3,204) |
| Plant Additions | | 21,986,739 | 5,200,835 | 26,737 | 0 | 11,844 | 5,239,416 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 206,657 | 0 | 0 | 0 | 206,657 |
| Wind Production | 49 | 592,647 | 144,354 | 0 | 0 | 0 | 144,354 |
| Transmission | 2 | 275,449 | 65,881 | 0 | 0 | 0 | 65,881 |
| Distribution | 14 | 292,272 | 0 | 17,390 | 0 | 7,703 | 25,093 |
| General, Common & Intangible | 13 | (69,964) | (12,328) | (1,103) | 0 | (489) | (13,920) |
| Acquisition Adjustment | 29 | (13,016) | (3,125) | 0 | 0 | 0 | (3,125) |
| Plant Additions | | 1,941,421 | 401,439 | 16,287 | 0 | 7,214 | 424,940 |
| Net Adjustment to Plant | | 20,045,318 | 4,799,396 | 10,450 | 0 | 4,630 | 4,814,476 |

MONTANA-DAKOTA UTILITIES CO.
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|--|-------------------|--------------------|---------------------------------|---------------------|---------|----------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (10,234) | (916) | 0 | (406) | (11,556) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (881) | 0 | (881) |
| Prepayments - Adjustment G | 26 | 37,894 | 6,643 | 587 | 0 | 264 | 7,494 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (5,030) | (445) | 0 | (200) | (5,675) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 185,037 | 0 | 0 | 0 | 185,037 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (16,274) | 0 | 0 | 0 | (16,274) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (9,040) | 0 | 0 | 0 | (9,040) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 67,472 | 5,293 | 0 | 3,819 | 76,584 |
| Total | | 1,063,583 | 218,574 | 4,519 | (881) | 3,477 | 225,689 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 97,236 | 8,597 | 0 | 3,860 | 109,693 |
| Normalization - Adjustment M | 26 | (25,826) | (4,528) | (400) | 0 | (180) | (5,108) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (33) | (424) | (1,197) | (12) | (1,666) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 177,510 | 0 | 0 | 0 | 177,510 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 144,409 | 0 | 0 | 0 | 144,409 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 64,763 | 0 | 0 | 0 | 64,763 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (5,696) | 0 | 0 | 0 | (5,696) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (3,164) | 0 | 0 | 0 | (3,164) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | (235) | 0 | (103) | (338) |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 23,615 | 1,853 | 0 | 1,337 | 26,805 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 667 | 0 | 296 | 963 |
| Total | | 2,247,158 | 494,112 | 10,058 | (1,197) | 5,198 | 508,171 |
| Total Pro Forma Adjustments | | 18,861,743 | 4,523,858 | 4,911 | 316 | 2,909 | 4,531,994 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | | Total LG Secondary Rate 30 |
|--|-------------------|--------------------|---------------------------------|---------------------|-----------------|--------------|----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | (47,770) | 5,240 | 125,785 | 175 | 83,430 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (47,770) | 5,240 | 125,785 | 175 | 83,430 |
| Unbilled Revenue | 45 | 93,448 | 382 | 4,917 | 13,882 | 137 | 19,318 |
| Total | | 334,215 | (47,388) | 10,157 | 139,667 | 312 | 102,748 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (8,572) | 0 | (8,572) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (21,951) | (1,722) | 0 | (1,243) | (24,916) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (69,339) | 8,435 | 131,095 | (931) | 69,260 |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (25,927) | 0 | (25,927) |
| F&PP - Demand | Direct | (199,724) | (47,770) | 0 | 0 | 0 | (47,770) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (47,770) | 0 | (25,927) | 0 | (73,697) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 23,964 | 0 | 63,468 | 0 | 87,432 |
| Transmission | 2 | 213,540 | 51,074 | 0 | 0 | 0 | 51,074 |
| Distribution | 21 | 21,844 | 0 | 999 | 0 | 600 | 1,599 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 143 | 143 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 18 | 18 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (22) | (22) |
| Administrative & General | 24 | 206,532 | 31,087 | 2,439 | 0 | 1,760 | 35,286 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 106,125 | 3,438 | 63,468 | 2,499 | 175,530 |
| Total Adjustments to O&M | | 499,424 | 58,355 | 3,438 | 37,541 | 2,499 | 101,833 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | Total LG Secondary Rate 30 | |
|---|-------------------|--------------------|---------------------------------|---------------------|---------------|----------------------------|--------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 90,789 | 0 | 0 | 90,789 | |
| Wind Production | 3 | 592,647 | 144,354 | 0 | 0 | 144,354 | |
| Transmission Plant | 30 | 20,395 | 4,878 | 0 | 0 | 4,878 | |
| Distribution Plant | 14 | 6,913 | 0 | 411 | 0 | 593 | |
| General, Common & Intangible Plant | 13 | 23,006 | 4,054 | 363 | 0 | 4,578 | |
| Acquisition Adjustment | 29 | (684) | (164) | 0 | 0 | (164) | |
| Amort. - Unrecovered Plants | 29 | 81,436 | 19,549 | 0 | 0 | 19,549 | |
| Decommissioning of Power Plants | 29 | 136,083 | 32,667 | 0 | 0 | 32,667 | |
| Retired Power Plant Amortization | 29 | (3,979) | (955) | 0 | 0 | (955) | |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 295,172 | 774 | 0 | 343 | 296,289 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 15,616 | 0 | 0 | 15,616 | |
| Transmission Plant | 30 | 3,198 | 765 | 0 | 0 | 765 | |
| Distribution Plant | 14 | 4,016 | 0 | 239 | 0 | 345 | |
| General Plant | 13 | 2,882 | 508 | 45 | 0 | 573 | |
| Common & Intangible Plant | 13 | 753 | 133 | 12 | 0 | 150 | |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 17,022 | 296 | 0 | 131 | 17,449 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 1,067 | 84 | 0 | 1,211 | |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 110 | 9 | 0 | 125 | |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 5,139 | 0 | 0 | 5,139 | |
| Total Adjustments to Taxes Other than Income | | 105,203 | 23,338 | 389 | 0 | 197 | 23,924 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 76,783 | 6,442 | 0 | 87,226 | |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 33,476 | 0 | 0 | 33,476 | |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 507,171 | 0 | 0 | 507,171 | |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 412,597 | 0 | 0 | 412,597 | |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (12,179) | 0 | 0 | (12,179) | |
| | | 4,340,233 | 1,017,848 | 6,442 | 0 | 4,001 | 1,028,291 |
| Net Adjustments to Operating Income | | (4,787,574) | (1,167,925) | (1,834) | 93,554 | (7,628) | (1,083,833) |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Large General Secondary Rate 30 | | | Total LG Secondary Rate 30 | |
|--|----------------------|-----------------------|---------------------------------|------------------------|--------|----------------------------------|-----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (512,418) | (913) | 32,744 | (2,790) | (483,377) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (119,319) | 0 | 0 | 0 | (119,319) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (33,556) | (2,967) | 0 | (1,332) | (37,855) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (665,293) | (3,880) | 32,744 | (4,122) | (640,551) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 32,229 | 2,849 | 0 | 1,279 | 36,357 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 189,184 | 0 | 0 | 0 | 189,184 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 144,409 | 0 | 0 | 0 | 144,409 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 365,822 | 2,849 | 0 | 1,279 | 369,950 |
| Total Adjustments to Income: | | (462,802) | (146,733) | 4,865 | 60,810 | (1,127) | (82,185) |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|-------------------------------------|-------------------|--------------------|--|---------------------|--------|----------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Rate Base | | | | | | | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 778,013 | 0 | 0 | 0 | 778,013 |
| Wind Production Plant | 3 | 5,635,424 | 183,526 | 0 | 0 | 0 | 183,526 |
| Total Production Plant | | 28,338,743 | 961,539 | 0 | 0 | 0 | 961,539 |
| Transmission Plant | 2 | 15,126,422 | 518,363 | 0 | 0 | 0 | 518,363 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 1,201 | 0 | 0 | 1,201 |
| Rights of Way | 4 | 34,047 | 0 | 1,307 | 0 | 0 | 1,307 |
| Station Equipment | 4 | 2,256,586 | 0 | 86,646 | 0 | 0 | 86,646 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 62,680 | 62,680 |
| Demand Related | 4.1 | 807,627 | 0 | 31,010 | 0 | 0 | 31,010 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 72,153 | 72,153 |
| Demand Related | 5 | 949,905 | 0 | 36,474 | 0 | 0 | 36,474 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 33,304 | 33,304 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 156,638 | 0 | 168,137 | 324,775 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 114,933 | 12,165 | 0 | 13,058 | 140,156 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 7,326 | 7,326 |
| Acquisition Adjustment | 29 | 568,397 | 19,286 | 0 | 0 | 0 | 19,286 |
| Total Electric Plant in Service | | 64,833,736 | 1,614,121 | 168,803 | 0 | 188,521 | 1,971,445 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|--|-------------------|--------------------|--|---------------------|----------|----------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 422,690 | 0 | 0 | 0 | 422,690 |
| Wind Production Plant | 3 | 1,281,689 | 41,740 | 0 | 0 | 0 | 41,740 |
| Total Production Plant | | 13,616,278 | 464,430 | 0 | 0 | 0 | 464,430 |
| Transmission Plant | 2 | 9,034,445 | 309,599 | 0 | 0 | 0 | 309,599 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 1,018 | 0 | 0 | 1,018 |
| Station Equipment | 4 | 1,371,002 | 0 | 52,642 | 0 | 0 | 52,642 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 20,050 | 0 | 40,526 | 60,576 |
| Line Transformers | 19 | 1,452,819 | 0 | 12,847 | 0 | 25,414 | 38,261 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 133 | 133 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 8,520,016 | 0 | 86,557 | 0 | 66,073 | 152,630 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 61,433 | 6,502 | 0 | 6,980 | 74,915 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 621 | 621 |
| Acquisition Adjustment | 29 | 568,067 | 19,275 | 0 | 0 | 0 | 19,275 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 854,737 | 93,059 | 0 | 73,674 | 1,021,470 |
| Net Electric Plant in Service | | 30,594,689 | 759,384 | 75,744 | 0 | 114,847 | 949,975 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 21,942 | 2,322 | 0 | 2,493 | 26,757 |
| Prepayments | 26 | 9,483 | 236 | 25 | 0 | 28 | 289 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 7,819 | 0 | 7,819 |
| Unamortized Loss on Debt | 26 | 251,553 | 6,263 | 655 | 0 | 731 | 7,649 |
| Total Additions | | 1,380,468 | 28,441 | 3,002 | 7,819 | 3,252 | 42,514 |
| Total Before Deductions | | 31,975,157 | 787,825 | 78,746 | 7,819 | 118,099 | 992,489 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (239,088) | (25,004) | 0 | (27,924) | (292,016) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | 0 |
| Total Deductions | | (9,676,674) | (239,088) | (25,004) | 0 | (27,924) | (292,016) |
| Total Rate Base | | 22,298,483 | 548,737 | 53,742 | 7,819 | 90,175 | 700,473 |
| Rate of Return | | 8.35% | (16.70%) | (17.52%) | 1362.02% | (14.53%) | (1.09%) |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | Total Space Heating Rate 32 | |
|--|-------------------|--------------------|--|---------------------|-----------------|-----------------------------|----------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 7,963 | 0 | 292,577 | 11,610 | 312,150 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 7,963 | 0 | 292,577 | 11,610 | 312,150 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 1,130 | 0 | 1,130 |
| Total Sales Revenues | | 13,630,444 | 7,963 | 0 | 293,707 | 11,610 | 313,280 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 154 | 15 | 0 | 23 | 192 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 80 | 0 | 162 | 242 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 4,906 | 0 | 0 | 0 | 4,906 |
| Miscellaneous | 27 | 12,385 | 307 | 31 | 0 | 46 | 384 |
| Other Rent from Electric Property | 27 | 78,750 | 1,955 | 195 | 0 | 296 | 2,446 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 37 | 0 | 39 | 76 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 2 | 0 | 3 | 5 |
| Patronage Dividends | 23 | 3,083 | 66 | 6 | 0 | 15 | 87 |
| Joint Use Agreements | 30 | 5,573 | 191 | 0 | 0 | 0 | 191 |
| Wheeling Fees | 30 | 124,698 | 4,273 | 0 | 0 | 0 | 4,273 |
| Miscellaneous | 23 | 157,421 | 3,395 | 312 | 0 | 765 | 4,472 |
| Total Other Revenues | | 701,821 | 15,247 | 678 | 0 | 1,349 | 17,274 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | Total Space Heating Rate 32 | |
|---|-------------------|--------------------|--|---------------------|-----------------|-----------------------------|----------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | |
| Unbilled Revenue | 45 | (93,448) | (55) | 0 | (2,011) | (80) | (2,146) |
| Total Operating Revenues | | 14,238,817 | 23,155 | 678 | 291,696 | 12,879 | 328,408 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 125,523 | 0 | 125,523 |
| F&PP - Demand | Direct | 232,364 | 7,963 | 0 | 0 | 0 | 7,963 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 2,333 | 0 | 2,333 |
| Other Production | 2 | 1,298,466 | 44,497 | 0 | 0 | 0 | 44,497 |
| Total Production Expense | | 5,497,808 | 52,460 | 0 | 127,856 | 0 | 180,316 |
| Transmission Expense | 2 | 1,148,737 | 39,366 | 0 | 0 | 0 | 39,366 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 1,523 | 0 | 0 | 1,523 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 1,043 | 0 | 2,108 | 3,151 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 2,604 | 2,604 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 240 | 240 |
| Supervision & Engineering | 21 | 71,806 | 0 | 552 | 0 | 1,065 | 1,617 |
| Miscellaneous | 21 | 263,256 | 0 | 2,023 | 0 | 3,903 | 5,926 |
| Rents | 14 | 14,509 | 0 | 145 | 0 | 156 | 301 |
| Total Operation Expense | | 683,553 | 0 | 5,286 | 0 | 10,076 | 15,362 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 330 | 0 | 0 | 330 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 1,512 | 0 | 3,055 | 4,567 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 119 | 119 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 1 | 1 |
| Supervision & Engineering | 22 | 24,705 | 0 | 153 | 0 | 263 | 416 |
| Miscellaneous | 22 | 70,172 | 0 | 433 | 0 | 747 | 1,180 |
| Total Maintenance Expense | | 393,137 | 0 | 2,428 | 0 | 4,185 | 6,613 |
| Total Distribution Expenses | | 1,076,690 | 0 | 7,714 | 0 | 14,261 | 21,975 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|---|-------------------|--------------------|--|---------------------|----------------|---------------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 4,010 | 4,010 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 302 | 302 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 328 | 328 |
| Administrative & General Expenses | 24 | 1,453,539 | 31,347 | 2,883 | 0 | 7,065 | 41,295 |
| Total Electric O&M Expenses | | 9,541,553 | 123,173 | 10,597 | 127,856 | 25,966 | 287,592 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 7,963 | 0 | 127,856 | 0 | 135,819 |
| Other O&M Expenses | | 5,342,211 | 115,210 | 10,597 | 0 | 25,966 | 151,773 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 123,173 | 10,597 | 127,856 | 25,966 | 287,592 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 20,654 | 0 | 0 | 0 | 20,654 |
| Wind Production Plant | 3 | 284,287 | 9,258 | 0 | 0 | 0 | 9,258 |
| Total Production Plant | | 887,005 | 29,912 | 0 | 0 | 0 | 29,912 |
| Transmission Plant | 2 | 293,657 | 10,063 | 0 | 0 | 0 | 10,063 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 18 | 0 | 0 | 18 |
| Station Equipment | 4 | 41,316 | 0 | 1,586 | 0 | 0 | 1,586 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 1,234 | 0 | 2,493 | 3,727 |
| Line Transformers | 19 | 96,379 | 0 | 852 | 0 | 1,686 | 2,538 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 1,192 | 1,192 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 3,690 | 0 | 5,371 | 9,061 |
| General, Common & Intangible Plant | | | | | | | |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 504 | 504 |
| Acquisition Adjustment | 29 | 684 | 23 | 0 | 0 | 0 | 23 |
| Total Depreciation Expense | | 1,844,338 | 43,926 | 4,106 | 0 | 6,321 | 54,353 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | Total Space Heating Rate 32 |
|--|-------------------|--------------------|--|---------------------|-----------------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 3,482 | 0 | 0 | 3,482 |
| Transmission Plant | 30 | 87,802 | 3,009 | 0 | 0 | 3,009 |
| Distribution Plant | 14 | 147,791 | 0 | 1,477 | 0 | 3,063 |
| General, Common & Intangible Plant | 13 | 51,458 | 1,288 | 136 | 0 | 1,570 |
| Total Ad Valorem Taxes | | 389,662 | 7,779 | 1,613 | 0 | 11,124 |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 5,185 | 477 | 0 | 6,830 |
| Total Taxes Other Than Income Taxes | | 630,066 | 12,964 | 2,090 | 0 | 17,954 |
| Total Operating Expense | | 12,015,957 | 180,063 | 16,793 | 127,856 | 359,899 |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 15,498 | 1,546 | 0 | 19,388 |
| Taxable Income Before Adjustments | | 1,598,450 | (172,406) | (17,661) | 163,840 | (50,879) |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 106,308 | 11,118 | 0 | 129,842 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 182 | 19 | 0 | 222 |
| Total Deductions | | 4,277,341 | 106,490 | 11,137 | 0 | 130,064 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (278,896) | (28,798) | 163,840 | (180,943) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (278,896) | (28,798) | 163,840 | (180,943) |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (97,614) | (10,079) | 57,344 | (63,330) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (8,232) | (861) | 0 | (10,055) |
| Federal and State Income Taxes | | (1,268,280) | (105,846) | (10,940) | 57,344 | (73,385) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 4,765 | 498 | 0 | 5,820 |
| Federal & State Income Taxes | | (1,076,876) | (101,081) | (10,442) | 57,344 | (67,565) |

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014**

| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | Total Space Heating Rate 32 | |
|---|-------------------|--------------------|--|---------------------|-----------------|-----------------------------|---------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 34,359 | 3,593 | 0 | 4,013 | 41,965 |
| Closing/Filing & Out of Period | 26 | 57,361 | 1,428 | 149 | 0 | 167 | 1,744 |
| Total Deferred Income Taxes | | 1,437,447 | 35,787 | 3,742 | 0 | 4,180 | 43,709 |
| Total Operating Expenses | | 12,376,528 | 114,769 | 10,093 | 185,200 | 25,981 | 336,043 |
| Total Operating Income | | 1,862,289 | (91,614) | (9,415) | 106,496 | (13,102) | (7,635) |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 331,302 | 0 | 0 | 0 | 331,302 |
| Wind Production | 3 | 11,268,091 | 366,962 | 0 | 0 | 0 | 366,962 |
| Transmission | 2 | 549,643 | 18,836 | 0 | 0 | 0 | 18,836 |
| Distribution | 14 | 425,836 | 0 | 4,256 | 0 | 4,568 | 8,824 |
| General, Common & Intangible | 13 | 88,738 | 2,221 | 235 | 0 | 252 | 2,708 |
| Acquisition Adjustment | 29 | (13,346) | (453) | 0 | 0 | 0 | (453) |
| Plant Additions | | 21,986,739 | 718,868 | 4,491 | 0 | 4,820 | 728,179 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 29,609 | 0 | 0 | 0 | 29,609 |
| Wind Production | 49 | 592,647 | 19,300 | 0 | 0 | 0 | 19,300 |
| Transmission | 2 | 275,449 | 9,439 | 0 | 0 | 0 | 9,439 |
| Distribution | 14 | 292,272 | 0 | 2,921 | 0 | 3,136 | 6,057 |
| General, Common & Intangible | 13 | (69,964) | (1,751) | (185) | 0 | (199) | (2,135) |
| Acquisition Adjustment | 29 | (13,016) | (442) | 0 | 0 | 0 | (442) |
| Plant Additions | | 1,941,421 | 56,155 | 2,736 | 0 | 2,937 | 61,828 |
| Net Adjustment to Plant | | 20,045,318 | 662,713 | 1,755 | 0 | 1,883 | 666,351 |

MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|--|-------------------|--------------------|--|---------------------|--------|----------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (1,453) | (154) | 0 | (165) | (1,772) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (116) | 0 | (116) |
| Prepayments - Adjustment G | 26 | 37,894 | 943 | 99 | 0 | 110 | 1,152 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (714) | (75) | 0 | (83) | (872) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 26,512 | 0 | 0 | 0 | 26,512 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (2,332) | 0 | 0 | 0 | (2,332) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (1,295) | 0 | 0 | 0 | (1,295) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 9,667 | 889 | 0 | 2,179 | 12,735 |
| Total | | 1,063,583 | 31,328 | 759 | (116) | 2,041 | 34,012 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 13,808 | 1,444 | 0 | 1,613 | 16,865 |
| Normalization - Adjustment M | 26 | (25,826) | (643) | (67) | 0 | (75) | (785) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (5) | 0 | (173) | (7) | (185) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 25,433 | 0 | 0 | 0 | 25,433 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 19,308 | 0 | 0 | 0 | 19,308 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 9,279 | 0 | 0 | 0 | 9,279 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (816) | 0 | 0 | 0 | (816) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (453) | 0 | 0 | 0 | (453) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj. M | 24 | 156,893 | 3,384 | 311 | 0 | 763 | 4,458 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 69,295 | 1,688 | (173) | 2,294 | 73,104 |
| Total Pro Forma Adjustments | | 18,861,743 | 624,746 | 826 | 57 | 1,630 | 627,259 |

MONTANA-DAKOTA UTILITIES CO.
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| Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|---|--------------------|--|---------------------|--------|----------|-----------------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Pro Forma Adjustments - Operating Income | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | (6,844) | 0 | (29,504) | 88 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (6,844) | 0 | (29,504) | 88 |
| Unbilled Revenue | 45 | 93,448 | 55 | 0 | 2,011 | 80 |
| Total | | 334,215 | (6,789) | 0 | (27,493) | 168 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (1,130) | 0 |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (3,145) | (289) | 0 | (709) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (9,934) | (289) | (28,623) | (541) |
| Operation & Maintenance Expenses | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (3,419) | 0 |
| F&PP - Demand | Direct | (199,724) | (6,844) | 0 | 0 | (6,844) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (6,844) | 0 | (3,419) | 0 |
| Other O&M | | | | | | |
| Production | 47 | 359,837 | 3,434 | 0 | 8,368 | 0 |
| Transmission | 2 | 213,540 | 7,318 | 0 | 0 | 0 |
| Distribution | 21 | 21,844 | 0 | 168 | 0 | 324 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 60 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 8 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (26) |
| Administrative & General | 24 | 206,532 | 4,454 | 410 | 0 | 1,004 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 15,206 | 578 | 8,368 | 1,370 |
| Total Adjustments to O&M | | 499,424 | 8,362 | 578 | 4,949 | 1,370 |

MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 |
|---|-------------------|--------------------|--|---------------------|-----------------|----------------|-----------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 12,833 | 0 | 0 | 0 | 12,833 |
| Wind Production | 3 | 592,647 | 19,300 | 0 | 0 | 0 | 19,300 |
| Transmission Plant | 30 | 20,395 | 699 | 0 | 0 | 0 | 699 |
| Distribution Plant | 14 | 6,913 | 0 | 69 | 0 | 74 | 143 |
| General, Common & Intangible Plant | 13 | 23,006 | 576 | 61 | 0 | 65 | 702 |
| Acquisition Adjustment | 29 | (684) | (23) | 0 | 0 | 0 | (23) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 2,763 | 0 | 0 | 0 | 2,763 |
| Decommissioning of Power Plants | 29 | 136,083 | 4,617 | 0 | 0 | 0 | 4,617 |
| Retired Power Plant Amortization | 29 | (3,979) | (135) | 0 | 0 | 0 | (135) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 40,630 | 130 | 0 | 139 | 40,899 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 2,207 | 0 | 0 | 0 | 2,207 |
| Transmission Plant | 30 | 3,198 | 110 | 0 | 0 | 0 | 110 |
| Distribution Plant | 14 | 4,016 | 0 | 40 | 0 | 43 | 83 |
| General Plant | 13 | 2,882 | 72 | 8 | 0 | 8 | 88 |
| Common & Intangible Plant | 13 | 753 | 19 | 2 | 0 | 2 | 23 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 2,408 | 50 | 0 | 53 | 2,511 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 153 | 14 | 0 | 34 | 201 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 16 | 1 | 0 | 4 | 21 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 736 | 0 | 0 | 0 | 736 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 3,313 | 65 | 0 | 91 | 3,469 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 10,849 | 1,082 | 0 | 1,641 | 13,572 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 4,732 | 0 | 0 | 0 | 4,732 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 72,666 | 0 | 0 | 0 | 72,666 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 55,165 | 0 | 0 | 0 | 55,165 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (1,721) | 0 | 0 | 0 | (1,721) |
| | | 4,340,233 | 141,691 | 1,082 | 0 | 1,641 | 144,414 |
| Net Adjustments to Operating Income | | (4,787,574) | (163,165) | (2,014) | (33,572) | (3,643) | (202,394) |

**MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014**

| Allocation Factor | Total South Dakota | General Electric Space Heating Service Rate 32 | | | | Total Space Heating Rate 32 | |
|--|--------------------|--|---------------------|----------------|-----------------|-----------------------------|------------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (71,376) | (750) | (11,750) | (1,324) | (85,200) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (15,953) | 0 | 0 | 0 | (15,953) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (4,765) | (498) | 0 | (557) | (5,820) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (92,094) | (1,248) | (11,750) | (1,881) | (106,973) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 4,577 | 479 | 0 | 535 | 5,591 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 27,106 | 0 | 0 | 0 | 27,106 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 19,308 | 0 | 0 | 0 | 19,308 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 50,991 | 479 | 0 | 535 | 52,005 |
| Total Adjustments to Income: | | (462,802) | (21,136) | (293) | (21,822) | (795) | (44,046) |

**MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014**

| Rate Base | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|-------------------------------------|-------------------|--------------------|---------------------------|---------------------|--------|----------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 206,718 | 0 | 0 | 0 | 206,718 |
| Wind Production Plant | 3 | 5,635,424 | 52,244 | 0 | 0 | 0 | 52,244 |
| Total Production Plant | | 28,338,743 | 258,962 | 0 | 0 | 0 | 258,962 |
| Transmission Plant | 2 | 15,126,422 | 137,729 | 0 | 0 | 0 | 137,729 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 273 | 0 | 0 | 273 |
| Rights of Way | 4 | 34,047 | 0 | 297 | 0 | 0 | 297 |
| Station Equipment | 4 | 2,256,586 | 0 | 19,704 | 0 | 0 | 19,704 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 23,215 | 23,215 |
| Demand Related | 4.1 | 807,627 | 0 | 7,052 | 0 | 0 | 7,052 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 53,711 | 53,711 |
| Demand Related | 5 | 949,905 | 0 | 8,294 | 0 | 0 | 8,294 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 9,410 | 9,410 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 14,031 | 14,031 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 35,620 | 0 | 100,367 | 135,987 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 30,808 | 2,766 | 0 | 7,795 | 41,369 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 2,714 | 2,714 |
| Acquisition Adjustment | 29 | 568,397 | 5,194 | 0 | 0 | 0 | 5,194 |
| Total Electric Plant in Service | | 64,833,736 | 432,693 | 38,386 | 0 | 110,876 | 581,955 |

MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|--|-------------------|--------------------|---------------------------|---------------------|---------|----------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 112,309 | 0 | 0 | 0 | 112,309 |
| Wind Production Plant | 3 | 1,281,689 | 11,882 | 0 | 0 | 0 | 11,882 |
| Total Production Plant | | 13,616,278 | 124,191 | 0 | 0 | 0 | 124,191 |
| Transmission Plant | 2 | 9,034,445 | 82,261 | 0 | 0 | 0 | 82,261 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 232 | 0 | 0 | 232 |
| Station Equipment | 4 | 1,371,002 | 0 | 11,971 | 0 | 0 | 11,971 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 4,560 | 0 | 15,010 | 19,570 |
| Line Transformers | 19 | 1,452,819 | 0 | 2,921 | 0 | 18,919 | 21,840 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 8,591 | 8,591 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 56 | 56 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 8,520,016 | 0 | 19,684 | 0 | 42,576 | 62,260 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 16,467 | 1,479 | 0 | 4,166 | 22,112 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 230 | 230 |
| Acquisition Adjustment | 29 | 568,067 | 5,191 | 0 | 0 | 0 | 5,191 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 228,110 | 21,163 | 0 | 46,972 | 296,245 |
| Net Electric Plant in Service | | 30,594,689 | 204,583 | 17,223 | 0 | 63,904 | 285,710 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 5,882 | 528 | 0 | 1,488 | 7,898 |
| Prepayments | 26 | 9,483 | 63 | 6 | 0 | 16 | 85 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 2,257 | 0 | 2,257 |
| Unamortized Loss on Debt | 26 | 251,553 | 1,679 | 149 | 0 | 430 | 2,258 |
| Total Additions | | 1,380,468 | 7,624 | 683 | 2,257 | 1,934 | 12,498 |
| Total Before Deductions | | 31,975,157 | 212,207 | 17,906 | 2,257 | 65,838 | 298,208 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (64,092) | (5,686) | 0 | (16,423) | (86,201) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | 0 |
| Total Deductions | | (9,676,674) | (64,092) | (5,686) | 0 | (16,423) | (86,201) |
| Total Rate Base | | 22,298,483 | 148,115 | 12,220 | 2,257 | 49,415 | 212,007 |
| Rate of Return | | 8.35% | (16.50%) | 188.13% | 529.60% | (8.87%) | 2.89% |

**MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | Customer | Total Municipal Pumping Rate 48 |
|--|-------------------|--------------------|---------------------------|---------------------|---------------|--------------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 2,116 | 38,933 | 55,348 | 7,903 | 104,300 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 2,116 | 38,933 | 55,348 | 7,903 | 104,300 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 326 | 0 | 326 |
| Total Sales Revenues | | 13,630,444 | 2,116 | 38,933 | 55,674 | 7,903 | 104,626 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 41 | 3 | 0 | 13 | 57 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 18 | 0 | 60 | 78 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 1,303 | 0 | 0 | 0 | 1,303 |
| Miscellaneous | 27 | 12,385 | 83 | 7 | 0 | 26 | 116 |
| Other Rent from Electric Property | 27 | 78,750 | 527 | 44 | 0 | 164 | 735 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 8 | 0 | 24 | 32 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 1 | 0 | 2 | 3 |
| Patronage Dividends | 23 | 3,083 | 18 | 1 | 0 | 7 | 26 |
| Joint Use Agreements | 30 | 5,573 | 51 | 0 | 0 | 0 | 51 |
| Wheeling Fees | 30 | 124,698 | 1,135 | 0 | 0 | 0 | 1,135 |
| Miscellaneous | 23 | 157,421 | 902 | 71 | 0 | 341 | 1,314 |
| Total Other Revenues | | 701,821 | 4,060 | 153 | 0 | 637 | 4,850 |

MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|---|-------------------|--------------------|---------------------------|---------------------|---------------|--------------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unbilled Revenue | 45 | (93,448) | (15) | (268) | (380) | (54) | (717) |
| Total Operating Revenues | | 14,238,817 | 6,161 | 38,818 | 55,294 | 8,486 | 108,759 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 36,232 | 0 | 36,232 |
| F&PP - Demand | Direct | 232,364 | 2,116 | 0 | 0 | 0 | 2,116 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 673 | 0 | 673 |
| Other Production | 2 | 1,298,466 | 11,823 | 0 | 0 | 0 | 11,823 |
| Total Production Expense | | 5,497,808 | 13,939 | 0 | 36,905 | 0 | 50,844 |
| Transmission Expense | 2 | 1,148,737 | 10,459 | 0 | 0 | 0 | 10,459 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 346 | 0 | 0 | 346 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 237 | 0 | 781 | 1,018 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 1,097 | 1,097 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 89 | 89 |
| Supervision & Engineering | 21 | 71,806 | 0 | 125 | 0 | 423 | 548 |
| Miscellaneous | 21 | 263,256 | 0 | 460 | 0 | 1,550 | 2,010 |
| Rents | 14 | 14,509 | 0 | 33 | 0 | 93 | 126 |
| Total Operation Expense | | 683,553 | 0 | 1,201 | 0 | 4,033 | 5,234 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 75 | 0 | 0 | 75 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 344 | 0 | 1,132 | 1,476 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 88 | 88 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 1 | 1 |
| Supervision & Engineering | 22 | 24,705 | 0 | 35 | 0 | 101 | 136 |
| Miscellaneous | 22 | 70,172 | 0 | 99 | 0 | 287 | 386 |
| Total Maintenance Expense | | 393,137 | 0 | 553 | 0 | 1,609 | 2,162 |
| Total Distribution Expenses | | 1,076,690 | 0 | 1,754 | 0 | 5,642 | 7,396 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|---|-------------------|--------------------|---------------------------|---------------------|---------------|---------------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 2,466 | 2,466 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 186 | 186 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 121 | 121 |
| Administrative & General Expenses | 24 | 1,453,539 | 8,329 | 656 | 0 | 3,145 | 12,130 |
| Total Electric O&M Expenses | | 9,541,553 | 32,727 | 2,410 | 36,905 | 11,560 | 83,602 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 2,116 | 0 | 36,905 | 0 | 39,021 |
| Other O&M Expenses | | 5,342,211 | 30,611 | 2,410 | 0 | 11,560 | 44,581 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 32,727 | 2,410 | 36,905 | 11,560 | 83,602 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 5,488 | 0 | 0 | 0 | 5,488 |
| Wind Production Plant | 3 | 284,287 | 2,636 | 0 | 0 | 0 | 2,636 |
| Total Production Plant | | 887,005 | 8,124 | 0 | 0 | 0 | 8,124 |
| Transmission Plant | 2 | 293,657 | 2,674 | 0 | 0 | 0 | 2,674 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 4 | 0 | 0 | 4 |
| Station Equipment | 4 | 41,316 | 0 | 361 | 0 | 0 | 361 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 281 | 0 | 924 | 1,205 |
| Line Transformers | 19 | 96,379 | 0 | 194 | 0 | 1,255 | 1,449 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 204 | 204 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 502 | 502 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 840 | 0 | 2,885 | 3,725 |
| General, Common & Intangible Plant | 13 | 156,953 | 1,053 | 95 | 0 | 266 | 1,414 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 187 | 187 |
| Acquisition Adjustment | 29 | 684 | 6 | 0 | 0 | 0 | 6 |
| Total Depreciation Expense | | 1,844,338 | 11,857 | 935 | 0 | 3,338 | 16,130 |

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014**

| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|--|-------------------|--------------------|---------------------------|---------------------|--------|----------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem Taxes | | | | | | | |
| Production Plant | 29 | 102,611 | 938 | 0 | 0 | 0 | 938 |
| Transmission Plant | 30 | 87,802 | 799 | 0 | 0 | 0 | 799 |
| Distribution Plant | 14 | 147,791 | 0 | 336 | 0 | 946 | 1,282 |
| General, Common & Intangible Plant | 13 | 51,458 | 345 | 31 | 0 | 87 | 463 |
| Total Ad Valorem Taxes | | 389,662 | 2,082 | 367 | 0 | 1,033 | 3,482 |
| Other Taxes | | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 1,378 | 108 | 0 | 520 | 2,006 |
| Total Taxes Other Than Income Taxes | | 630,066 | 3,460 | 475 | 0 | 1,553 | 5,488 |
| Total Operating Expense | | 12,015,957 | 48,044 | 3,820 | 36,905 | 16,451 | 105,220 |
| Income Taxes | | | | | | | |
| Interest Expense | 27 | 624,410 | 4,175 | 352 | 0 | 1,304 | 5,831 |
| Taxable Income Before Adjustments | | 1,598,450 | (46,058) | 34,646 | 18,389 | (9,269) | (2,292) |
| Deductions | | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 28,498 | 2,528 | 0 | 7,302 | 38,328 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 49 | 4 | 0 | 13 | 66 |
| Total Deductions | | 4,277,341 | 28,547 | 2,532 | 0 | 7,315 | 38,394 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (74,605) | 32,114 | 18,389 | (16,584) | (40,686) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (74,605) | 32,114 | 18,389 | (16,584) | (40,686) |
| Federal Income Tax | | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (26,112) | 11,240 | 6,436 | (5,804) | (14,240) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (2,207) | (196) | 0 | (565) | (2,968) |
| Federal and State Income Taxes | | (1,268,280) | (28,319) | 11,044 | 6,436 | (6,369) | (17,208) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 1,277 | 113 | 0 | 327 | 1,717 |
| Federal & State Income Taxes | | (1,076,876) | (27,042) | 11,157 | 6,436 | (6,042) | (15,491) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 | |
|---|--------------------|---------------------------|---------------------|---------------|---------------|---------------------------------|----------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 9,211 | 817 | 0 | 2,360 | 12,388 |
| Closing/Filing & Out of Period | 26 | 57,361 | 383 | 34 | 0 | 98 | 515 |
| Total Deferred Income Taxes | | 1,437,447 | 9,594 | 851 | 0 | 2,458 | 12,903 |
| Total Operating Expenses | | 12,376,528 | 30,596 | 15,828 | 43,341 | 12,867 | 102,632 |
| Total Operating Income | | 1,862,289 | (24,435) | 22,990 | 11,953 | (4,381) | 6,127 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 88,027 | 0 | 0 | 0 | 88,027 |
| Wind Production | 3 | 11,268,091 | 104,462 | 0 | 0 | 0 | 104,462 |
| Transmission | 2 | 549,643 | 5,005 | 0 | 0 | 0 | 5,005 |
| Distribution | 14 | 425,836 | 0 | 968 | 0 | 2,727 | 3,695 |
| General, Common & Intangible | 13 | 88,738 | 595 | 53 | 0 | 151 | 799 |
| Acquisition Adjustment | 29 | (13,346) | (122) | 0 | 0 | 0 | (122) |
| Plant Additions | | 21,986,739 | 197,967 | 1,021 | 0 | 2,878 | 201,866 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 7,867 | 0 | 0 | 0 | 7,867 |
| Wind Production | 49 | 592,647 | 5,494 | 0 | 0 | 0 | 5,494 |
| Transmission | 2 | 275,449 | 2,508 | 0 | 0 | 0 | 2,508 |
| Distribution | 14 | 292,272 | 0 | 664 | 0 | 1,872 | 2,536 |
| General, Common & Intangible | 13 | (69,964) | (469) | (42) | 0 | (119) | (630) |
| Acquisition Adjustment | 29 | (13,016) | (119) | 0 | 0 | 0 | (119) |
| Plant Additions | | 1,941,421 | 15,281 | 622 | 0 | 1,753 | 17,656 |
| Net Adjustment to Plant | | 20,045,318 | 182,686 | 399 | 0 | 1,125 | 184,210 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 | |
|--|--------------------|---------------------------|---------------------|--------|----------|---------------------------------|---------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (390) | (35) | 0 | (99) | (524) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (34) | 0 | (34) |
| Prepayments - Adjustment G | 26 | 37,894 | 253 | 22 | 0 | 65 | 340 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (191) | (17) | 0 | (49) | (257) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 7,044 | 0 | 0 | 0 | 7,044 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (620) | 0 | 0 | 0 | (620) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (344) | 0 | 0 | 0 | (344) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 2,569 | 202 | 0 | 970 | 3,741 |
| Total | | 1,063,583 | 8,321 | 172 | (34) | 887 | 9,346 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 3,702 | 328 | 0 | 949 | 4,979 |
| Normalization - Adjustment M | 26 | (25,826) | (172) | (15) | 0 | (44) | (231) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (1) | (23) | (33) | (5) | (62) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 6,758 | 0 | 0 | 0 | 6,758 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 5,496 | 0 | 0 | 0 | 5,496 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 2,465 | 0 | 0 | 0 | 2,465 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (217) | 0 | 0 | 0 | (217) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (120) | 0 | 0 | 0 | (120) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 899 | 71 | 0 | 340 | 1,310 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 18,810 | 361 | (33) | 1,240 | 20,378 |
| Total Pro Forma Adjustments | | 18,861,743 | 172,197 | 210 | (1) | 772 | 173,178 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 | |
|---|--------------------|---------------------------|---------------------|----------|----------|---------------------------------|---------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | (1,819) | (11,907) | 10,899 | (671) | (3,498) |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (1,819) | (11,907) | 10,899 | (671) | (3,498) |
| Unbilled Revenue | 45 | 93,448 | 15 | 268 | 380 | 54 | 717 |
| Total | | 334,215 | (1,804) | (11,639) | 11,279 | (617) | (2,781) |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (326) | 0 | (326) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (836) | (66) | 0 | (316) | (1,218) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (2,640) | (11,705) | 10,953 | (933) | (4,325) |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (987) | 0 | (987) |
| F&PP - Demand | Direct | (199,724) | (1,819) | 0 | 0 | 0 | (1,819) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (1,819) | 0 | (987) | 0 | (2,806) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 912 | 0 | 2,415 | 0 | 3,327 |
| Transmission | 2 | 213,540 | 1,944 | 0 | 0 | 0 | 1,944 |
| Distribution | 21 | 21,844 | 0 | 38 | 0 | 129 | 167 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 37 | 37 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 5 | 5 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (10) | (10) |
| Administrative & General | 24 | 206,532 | 1,183 | 93 | 0 | 447 | 1,723 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 4,039 | 131 | 2,415 | 608 | 7,193 |
| Total Adjustments to O&M | | 499,424 | 2,220 | 131 | 1,428 | 608 | 4,387 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|---|-------------------|--------------------|---------------------------|---------------------|--------------|----------------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 3,456 | 0 | 0 | 0 | 3,456 |
| Wind Production | 3 | 592,647 | 5,494 | 0 | 0 | 0 | 5,494 |
| Transmission Plant | 30 | 20,395 | 186 | 0 | 0 | 0 | 186 |
| Distribution Plant | 14 | 6,913 | 0 | 16 | 0 | 44 | 60 |
| General, Common & Intangible Plant | 13 | 23,006 | 154 | 14 | 0 | 39 | 207 |
| Acquisition Adjustment | 29 | (684) | (6) | 0 | 0 | 0 | (6) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 744 | 0 | 0 | 0 | 744 |
| Decommissioning of Power Plants | 29 | 136,083 | 1,244 | 0 | 0 | 0 | 1,244 |
| Retired Power Plant Amortization | 29 | (3,979) | (36) | 0 | 0 | 0 | (36) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 11,236 | 30 | 0 | 83 | 11,349 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 594 | 0 | 0 | 0 | 594 |
| Transmission Plant | 30 | 3,198 | 29 | 0 | 0 | 0 | 29 |
| Distribution Plant | 14 | 4,016 | 0 | 9 | 0 | 26 | 35 |
| General Plant | 13 | 2,882 | 19 | 2 | 0 | 5 | 26 |
| Common & Intangible Plant | 13 | 753 | 5 | 0 | 0 | 1 | 6 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 647 | 11 | 0 | 32 | 690 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 41 | 3 | 0 | 15 | 59 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 4 | 0 | 0 | 2 | 6 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 196 | 0 | 0 | 0 | 196 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 888 | 14 | 0 | 49 | 951 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 2,923 | 246 | 0 | 913 | 4,082 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 1,274 | 0 | 0 | 0 | 1,274 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 19,307 | 0 | 0 | 0 | 19,307 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 15,704 | 0 | 0 | 0 | 15,704 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (464) | 0 | 0 | 0 | (464) |
| | | 4,340,233 | 38,744 | 246 | 0 | 913 | 39,903 |
| Net Adjustments to Operating Income | | (4,787,574) | (44,456) | (12,096) | 9,525 | (2,503) | (49,530) |

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014**

| | Allocation Factor | Total South Dakota | Municipal Pumping Rate 48 | | | | Total Municipal Pumping Rate 48 |
|--|-------------------|--------------------|---------------------------|---------------------|--------|----------|---------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (19,505) | (4,244) | 3,334 | (905) | (21,320) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (4,541) | 0 | 0 | 0 | (4,541) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (1,277) | (113) | 0 | (327) | (1,717) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (25,323) | (4,357) | 3,334 | (1,232) | (27,578) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 1,227 | 109 | 0 | 314 | 1,650 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 7,202 | 0 | 0 | 0 | 7,202 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 5,496 | 0 | 0 | 0 | 5,496 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 13,925 | 109 | 0 | 314 | 14,348 |
| Total Adjustments to Income: | | (462,802) | (5,586) | (7,632) | 6,191 | (755) | (7,782) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Rate Base | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | | Total Private Lighting Rate 24 |
|-------------------------------------|-------------------|--------------------|--------------------------|---------------------|--------|----------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 113,695 | 0 | 0 | 0 | 113,695 |
| Wind Production Plant | 3 | 5,635,424 | 29,667 | 0 | 0 | 0 | 29,667 |
| Total Production Plant | | 28,338,743 | 143,362 | 0 | 0 | 0 | 143,362 |
| Transmission Plant | 2 | 15,126,422 | 75,751 | 0 | 0 | 0 | 75,751 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 139 | 0 | 0 | 139 |
| Rights of Way | 4 | 34,047 | 0 | 152 | 0 | 0 | 152 |
| Station Equipment | 4 | 2,256,586 | 0 | 10,043 | 0 | 0 | 10,043 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 267,434 | 267,434 |
| Demand Related | 4.1 | 807,627 | 0 | 3,595 | 0 | 0 | 3,595 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 0 | 0 |
| Demand Related | 5 | 949,905 | 0 | 4,228 | 0 | 0 | 4,228 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 43,480 | 43,480 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 185,796 | 185,796 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 18,157 | 0 | 496,710 | 514,867 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 17,017 | 1,410 | 0 | 38,576 | 57,003 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 31,260 | 31,260 |
| Acquisition Adjustment | 29 | 568,397 | 2,875 | 0 | 0 | 0 | 2,875 |
| Total Electric Plant in Service | | 64,833,736 | 239,005 | 19,567 | 0 | 566,546 | 825,118 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 | |
|--|-------------------|--------------------|--------------------------|---------------------|----------|--------------------------------|----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 61,770 | 0 | 0 | 61,770 | |
| Wind Production Plant | 3 | 1,281,689 | 6,747 | 0 | 0 | 6,747 | |
| Total Production Plant | | 13,616,278 | 68,517 | 0 | 0 | 68,517 | |
| Transmission Plant | 2 | 9,034,445 | 45,243 | 0 | 0 | 45,243 | |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 118 | 0 | 118 | |
| Station Equipment | 4 | 1,371,002 | 0 | 6,102 | 0 | 6,102 | |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 2,324 | 0 | 172,911 | |
| Line Transformers | 19 | 1,452,819 | 0 | 1,489 | 0 | 1,489 | |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 0 | |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 174 | |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 83,410 | |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | |
| Distribution Plant | | 8,520,016 | 0 | 10,033 | 0 | 256,495 | |
| General, Common & Intangible Plant | 13 | 2,454,896 | 9,096 | 754 | 0 | 20,619 | |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 2,650 | |
| Acquisition Adjustment | 29 | 568,067 | 2,874 | 0 | 0 | 2,874 | |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 125,730 | 10,787 | 0 | 279,764 | |
| Net Electric Plant in Service | | 30,594,689 | 113,275 | 8,780 | 0 | 286,782 | |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 3,249 | 269 | 0 | 7,365 | |
| Prepayments | 26 | 9,483 | 35 | 3 | 0 | 83 | |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 1,289 | 0 | |
| Unamortized Loss on Debt | 26 | 251,553 | 927 | 76 | 0 | 2,198 | |
| Total Additions | | 1,380,468 | 4,211 | 348 | 1,289 | 9,646 | |
| Total Before Deductions | | 31,975,157 | 117,486 | 9,128 | 1,289 | 296,428 | |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (35,402) | (2,898) | 0 | (83,918) | |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | |
| Total Deductions | | (9,676,674) | (35,402) | (2,898) | 0 | (83,918) | |
| Total Rate Base | | 22,298,483 | 82,084 | 6,230 | 1,289 | 212,510 | |
| Rate of Return | | 8.35% | (16.40%) | (17.53%) | 2223.82% | (23.90%) | (12.14%) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Income Statement | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 |
|--|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | |
| Electric Operating Revenues | | | | | | |
| Retail Sales | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 1,164 | 0 | 65,449 | 66,613 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 1,164 | 0 | 65,449 | 66,613 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 186 | 186 |
| Total Sales Revenues | | 13,630,444 | 1,164 | 0 | 65,635 | 66,799 |
| Other Revenue | | | | | | |
| Miscellaneous | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 23 | 2 | 0 | 58 |
| Rent from Electric Property | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 9 | 0 | 691 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 35,173 |
| Joint Use Facilities | 30 | 143,149 | 717 | 0 | 0 | 717 |
| Miscellaneous | 27 | 12,385 | 46 | 4 | 0 | 116 |
| Other Rent from Electric Property | 27 | 78,750 | 292 | 23 | 0 | 738 |
| Other Electric Revenues | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 4 | 0 | 117 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 0 | 0 | 8 |
| Patronage Dividends | 23 | 3,083 | 10 | 1 | 0 | 51 |
| Joint Use Agreements | 30 | 5,573 | 28 | 0 | 0 | 28 |
| Wheeling Fees | 30 | 124,698 | 624 | 0 | 0 | 624 |
| Miscellaneous | 23 | 157,421 | 496 | 36 | 0 | 2,604 |
| Total Other Revenues | | 701,821 | 2,236 | 79 | 0 | 39,556 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 | |
|---|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------------|----------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | |
| Unbilled Revenue | 45 | (93,448) | (8) | 0 | (450) | (458) | |
| Total Operating Revenues | | 14,238,817 | 3,392 | 79 | 65,185 | 39,556 | 108,212 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 20,700 | 0 | 20,700 |
| F&PP - Demand | Direct | 232,364 | 1,164 | 0 | 0 | 0 | 1,164 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 385 | 0 | 385 |
| Other Production | 2 | 1,298,466 | 6,503 | 0 | 0 | 0 | 6,503 |
| Total Production Expense | | 5,497,808 | 7,667 | 0 | 21,085 | 0 | 28,752 |
| Transmission Expense | 2 | 1,148,737 | 5,753 | 0 | 0 | 0 | 5,753 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 177 | 0 | 0 | 177 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 121 | 0 | 8,995 | 9,116 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 3,400 | 3,400 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 1,026 | 1,026 |
| Supervision & Engineering | 21 | 71,806 | 0 | 64 | 0 | 2,886 | 2,950 |
| Miscellaneous | 21 | 263,256 | 0 | 235 | 0 | 10,579 | 10,814 |
| Rents | 14 | 14,509 | 0 | 17 | 0 | 460 | 477 |
| Total Operation Expense | | 683,553 | 0 | 614 | 0 | 27,346 | 27,960 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 38 | 0 | 0 | 38 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 175 | 0 | 13,035 | 13,210 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 2 | 2 |
| Supervision & Engineering | 22 | 24,705 | 0 | 18 | 0 | 1,080 | 1,098 |
| Miscellaneous | 22 | 70,172 | 0 | 50 | 0 | 3,067 | 3,117 |
| Total Maintenance Expense | | 393,137 | 0 | 281 | 0 | 17,184 | 17,465 |
| Total Distribution Expenses | | 1,076,690 | 0 | 895 | 0 | 44,530 | 45,425 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | | Total Private Lighting Rate 24 |
|---|-------------------|--------------------|--------------------------|---------------------|---------------|---------------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 17,110 | 17,110 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 1,288 | 1,288 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 1,399 | 1,399 |
| Administrative & General Expenses | 24 | 1,453,539 | 4,581 | 335 | 0 | 24,045 | 28,961 |
| Total Electric O&M Expenses | | 9,541,553 | 18,001 | 1,230 | 21,085 | 88,372 | 128,688 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 1,164 | 0 | 21,085 | 0 | 22,249 |
| Other O&M Expenses | | 5,342,211 | 16,837 | 1,230 | 0 | 88,372 | 106,439 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 18,001 | 1,230 | 21,085 | 88,372 | 128,688 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 3,018 | 0 | 0 | 0 | 3,018 |
| Wind Production Plant | 3 | 284,287 | 1,497 | 0 | 0 | 0 | 1,497 |
| Total Production Plant | | 887,005 | 4,515 | 0 | 0 | 0 | 4,515 |
| Transmission Plant | 2 | 293,657 | 1,471 | 0 | 0 | 0 | 1,471 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 2 | 0 | 0 | 2 |
| Station Equipment | 4 | 41,316 | 0 | 184 | 0 | 0 | 184 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 143 | 0 | 10,639 | 10,782 |
| Line Transformers | 19 | 96,379 | 0 | 99 | 0 | 0 | 99 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 1,556 | 1,556 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 10,382 | 10,382 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 428 | 0 | 22,577 | 23,005 |
| General, Common & Intangible Plant | 13 | 156,953 | 582 | 48 | 0 | 1,318 | 1,948 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 2,150 | 2,150 |
| Acquisition Adjustment | 29 | 684 | 3 | 0 | 0 | 0 | 3 |
| Total Depreciation Expense | | 1,844,338 | 6,571 | 476 | 0 | 26,045 | 33,092 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 |
|---|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 519 | 0 | 0 | 519 |
| Transmission Plant | 30 | 87,802 | 440 | 0 | 0 | 440 |
| Distribution Plant | 14 | 147,791 | 0 | 171 | 4,684 | 4,855 |
| General, Common & Intangible Plant | 13 | 51,458 | 191 | 16 | 432 | 639 |
| Total Ad Valorem Taxes | | <u>389,662</u> | <u>1,150</u> | <u>187</u> | <u>5,116</u> | <u>6,453</u> |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 758 | 55 | 3,977 | 4,790 |
| Total Taxes Other Than Income Taxes | | <u>630,066</u> | <u>1,908</u> | <u>242</u> | <u>9,093</u> | <u>11,243</u> |
| Total Operating Expense | | <u>12,015,957</u> | <u>26,480</u> | <u>1,948</u> | <u>21,085</u> | <u>173,023</u> |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 2,312 | 179 | 5,853 | 8,344 |
| Taxable Income Before Adjustments | | 1,598,450 | (25,400) | (2,048) | 44,100 | (89,807) |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 15,741 | 1,289 | 37,313 | 54,343 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 27 | 2 | 64 | 93 |
| Total Deductions | | <u>4,277,341</u> | <u>15,768</u> | <u>1,291</u> | <u>37,377</u> | <u>54,436</u> |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (41,168) | (3,339) | 44,100 | (127,591) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | <u>(2,678,891)</u> | <u>(41,168)</u> | <u>(3,339)</u> | <u>44,100</u> | <u>(127,591)</u> |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (14,409) | (1,169) | 15,435 | (44,657) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (1,219) | (100) | 0 | (4,209) |
| Federal and State Income Taxes | | <u>(1,268,280)</u> | <u>(15,628)</u> | <u>(1,269)</u> | <u>15,435</u> | <u>(48,866)</u> |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 706 | 58 | 1,673 | 2,437 |
| Federal & State Income Taxes | | <u>(1,076,876)</u> | <u>(14,922)</u> | <u>(1,211)</u> | <u>15,435</u> | <u>(46,429)</u> |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 | |
|---|-------------------|--------------------|--------------------------|---------------------|-----------------|--------------------------------|-----------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 5,088 | 417 | 0 | 12,060 | 17,565 |
| Closing/Filing & Out of Period | 26 | 57,361 | 211 | 17 | 0 | 501 | 729 |
| Total Deferred Income Taxes | | 1,437,447 | 5,299 | 434 | 0 | 12,561 | 18,294 |
| Total Operating Expenses | | 12,376,528 | 16,857 | 1,171 | 36,520 | 90,340 | 144,888 |
| Total Operating Income | | 1,862,289 | (13,465) | (1,092) | 28,665 | (50,784) | (36,676) |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 48,415 | 0 | 0 | 0 | 48,415 |
| Wind Production | 3 | 11,268,091 | 59,320 | 0 | 0 | 0 | 59,320 |
| Transmission | 2 | 549,643 | 2,753 | 0 | 0 | 0 | 2,753 |
| Distribution | 14 | 425,836 | 0 | 493 | 0 | 13,496 | 13,989 |
| General, Common & Intangible | 13 | 88,738 | 329 | 27 | 0 | 745 | 1,101 |
| Acquisition Adjustment | 29 | (13,346) | (68) | 0 | 0 | 0 | (68) |
| Plant Additions | | 21,986,739 | 110,749 | 520 | 0 | 14,241 | 125,510 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 4,327 | 0 | 0 | 0 | 4,327 |
| Wind Production | 49 | 592,647 | 3,120 | 0 | 0 | 0 | 3,120 |
| Transmission | 2 | 275,449 | 1,379 | 0 | 0 | 0 | 1,379 |
| Distribution | 14 | 292,272 | 0 | 339 | 0 | 9,263 | 9,602 |
| General, Common & Intangible | 13 | (69,964) | (259) | (21) | 0 | (588) | (868) |
| Acquisition Adjustment | 29 | (13,016) | (66) | 0 | 0 | 0 | (66) |
| Plant Additions | | 1,941,421 | 8,501 | 318 | 0 | 8,675 | 17,494 |
| Net Adjustment to Plant | | 20,045,318 | 102,248 | 202 | 0 | 5,566 | 108,016 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | | Total Private Lighting Rate 24 |
|--|-------------------|--------------------|--------------------------|---------------------|-------------|--------------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (215) | (18) | 0 | (488) | (721) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (19) | 0 | (19) |
| Prepayments - Adjustment G | 26 | 37,894 | 140 | 11 | 0 | 331 | 482 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (106) | (9) | 0 | (251) | (366) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 3,874 | 0 | 0 | 0 | 3,874 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (341) | 0 | 0 | 0 | (341) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (189) | 0 | 0 | 0 | (189) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 1,413 | 103 | 0 | 7,415 | 8,931 |
| Total | | 1,063,583 | 4,576 | 87 | (19) | 7,007 | 11,651 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 2,045 | 167 | 0 | 4,847 | 7,059 |
| Normalization - Adjustment M | 26 | (25,826) | (95) | (8) | 0 | (226) | (329) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (1) | 0 | (39) | 0 | (40) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 3,717 | 0 | 0 | 0 | 3,717 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 3,121 | 0 | 0 | 0 | 3,121 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 1,356 | 0 | 0 | 0 | 1,356 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (119) | 0 | 0 | 0 | (119) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (66) | 0 | 0 | 0 | (66) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 494 | 36 | 0 | 2,595 | 3,125 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 10,452 | 195 | (39) | 7,216 | 17,824 |
| Total Pro Forma Adjustments | | 18,861,743 | 96,372 | 94 | 20 | 5,357 | 101,843 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | | Total Private Lighting Rate 24 | |
|---|--------------------|--------------------------|---------------------|--------|----------|--------------------------------|---------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | (1,000) | 0 | 2,672 | 0 | 1,672 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (1,000) | 0 | 2,672 | 0 | 1,672 |
| Unbilled Revenue | 45 | 93,448 | 8 | 0 | 450 | 0 | 458 |
| Total | | 334,215 | (992) | 0 | 3,122 | 0 | 2,130 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (186) | 0 | (186) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (460) | (34) | 0 | (2,412) | (2,906) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (1,452) | (34) | 2,936 | (2,412) | (962) |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (564) | 0 | (564) |
| F&PP - Demand | Direct | (199,724) | (1,000) | 0 | 0 | 0 | (1,000) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (1,000) | 0 | (564) | 0 | (1,564) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 502 | 0 | 1,380 | 0 | 1,882 |
| Transmission | 2 | 213,540 | 1,069 | 0 | 0 | 0 | 1,069 |
| Distribution | 21 | 21,844 | 0 | 19 | 0 | 878 | 897 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 257 | 257 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 32 | 32 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (111) | (111) |
| Administrative & General | 24 | 206,532 | 651 | 48 | 0 | 3,416 | 4,115 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 2,222 | 67 | 1,380 | 4,472 | 8,141 |
| Total Adjustments to O&M | | 499,424 | 1,222 | 67 | 816 | 4,472 | 6,577 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | | Total Private Lighting Rate 24 |
|---|-------------------|--------------------|--------------------------|---------------------|--------------|-----------------|--------------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 1,913 | 0 | 0 | 0 | 1,913 |
| Wind Production | 3 | 592,647 | 3,120 | 0 | 0 | 0 | 3,120 |
| Transmission Plant | 30 | 20,395 | 102 | 0 | 0 | 0 | 102 |
| Distribution Plant | 14 | 6,913 | 0 | 8 | 0 | 219 | 227 |
| General, Common & Intangible Plant | 13 | 23,006 | 85 | 7 | 0 | 193 | 285 |
| Acquisition Adjustment | 29 | (684) | (3) | 0 | 0 | 0 | (3) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 412 | 0 | 0 | 0 | 412 |
| Decommissioning of Power Plants | 29 | 136,083 | 688 | 0 | 0 | 0 | 688 |
| Retired Power Plant Amortization | 29 | (3,979) | (20) | 0 | 0 | 0 | (20) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 6,297 | 15 | 0 | 412 | 6,724 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 329 | 0 | 0 | 0 | 329 |
| Transmission Plant | 30 | 3,198 | 16 | 0 | 0 | 0 | 16 |
| Distribution Plant | 14 | 4,016 | 0 | 5 | 0 | 127 | 132 |
| General Plant | 13 | 2,882 | 11 | 1 | 0 | 24 | 36 |
| Common & Intangible Plant | 13 | 753 | 3 | 0 | 0 | 6 | 9 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 359 | 6 | 0 | 157 | 522 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 22 | 2 | 0 | 117 | 141 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 2 | 0 | 0 | 12 | 14 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 108 | 0 | 0 | 0 | 108 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 491 | 8 | 0 | 286 | 785 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 1,618 | 125 | 0 | 4,097 | 5,840 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 705 | 0 | 0 | 0 | 705 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 10,619 | 0 | 0 | 0 | 10,619 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 8,918 | 0 | 0 | 0 | 8,918 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (257) | 0 | 0 | 0 | (257) |
| | | 4,340,233 | 21,603 | 125 | 0 | 4,097 | 25,825 |
| Net Adjustments to Operating Income | | (4,787,574) | (24,748) | (234) | 2,120 | (11,267) | (34,129) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Outdoor Lighting Rate 24 | | | Total Private Lighting Rate 24 | |
|--|-------------------|--------------------|--------------------------|---------------------|--------|--------------------------------|----------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | | Customer |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (10,873) | (87) | 742 | (4,088) | (14,306) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (2,579) | 0 | 0 | 0 | (2,579) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (706) | (58) | 0 | (1,673) | (2,437) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (14,158) | (145) | 742 | (5,761) | (19,322) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 678 | 55 | 0 | 1,606 | 2,339 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 3,961 | 0 | 0 | 0 | 3,961 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 3,121 | 0 | 0 | 0 | 3,121 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 7,760 | 55 | 0 | 1,606 | 9,421 |
| Total Adjustments to Income: | | (462,802) | (3,064) | (34) | 1,378 | (3,427) | (5,147) |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
SOUTH DAKOTA
Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| Rate Base | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|-------------------------------------|-------------------|--------------------|---------------------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 342,025 | 0 | 0 | 0 | 342,025 |
| Wind Production Plant | 3 | 5,635,424 | 84,543 | 0 | 0 | 0 | 84,543 |
| Total Production Plant | | 28,338,743 | 426,568 | 0 | 0 | 0 | 426,568 |
| Transmission Plant | 2 | 15,126,422 | 227,879 | 0 | 0 | 0 | 227,879 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 476 | 0 | 0 | 476 |
| Rights of Way | 4 | 34,047 | 0 | 519 | 0 | 0 | 519 |
| Station Equipment | 4 | 2,256,586 | 0 | 34,386 | 0 | 0 | 34,386 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 15,322 | 15,322 |
| Demand Related | 4.1 | 807,627 | 0 | 12,307 | 0 | 0 | 12,307 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 26,510 | 26,510 |
| Demand Related | 5 | 949,905 | 0 | 14,475 | 0 | 0 | 14,475 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 12,351 | 12,351 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 2,467 | 2,467 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 733,513 | 733,513 |
| Distribution Plant | | 15,672,453 | 0 | 62,163 | 0 | 790,163 | 852,326 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 50,826 | 4,828 | 0 | 61,366 | 117,020 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 1,791 | 1,791 |
| Acquisition Adjustment | 29 | 568,397 | 8,556 | 0 | 0 | 0 | 8,556 |
| Total Electric Plant in Service | | 64,833,736 | 713,829 | 66,991 | 0 | 853,320 | 1,634,140 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|---|-------------------|--------------------|---------------------------------------|---------------------|-----------------|------------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 185,820 | 0 | 0 | 0 | 185,820 |
| Wind Production Plant | 3 | 1,281,689 | 19,228 | 0 | 0 | 0 | 19,228 |
| Total Production Plant | | 13,616,278 | 205,048 | 0 | 0 | 0 | 205,048 |
| Transmission Plant | 2 | 9,034,445 | 136,104 | 0 | 0 | 0 | 136,104 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 404 | 0 | 0 | 404 |
| Station Equipment | 4 | 1,371,002 | 0 | 20,891 | 0 | 0 | 20,891 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 7,957 | 0 | 9,907 | 17,864 |
| Line Transformers | 19 | 1,452,819 | 0 | 5,099 | 0 | 9,338 | 14,437 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 11,275 | 11,275 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 10 | 10 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 477,751 | 477,751 |
| Distribution Plant | | 8,520,016 | 0 | 34,351 | 0 | 508,281 | 542,632 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 27,167 | 2,580 | 0 | 32,801 | 62,548 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 152 | 152 |
| Acquisition Adjustment | 29 | 568,067 | 8,551 | 0 | 0 | 0 | 8,551 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 376,870 | 36,931 | 0 | 541,234 | 955,035 |
| Net Electric Plant in Service | | 30,594,689 | 336,959 | 30,060 | 0 | 312,086 | 679,105 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 9,703 | 922 | 0 | 11,716 | 22,341 |
| Prepayments | 26 | 9,483 | 104 | 10 | 0 | 125 | 239 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 3,637 | 0 | 3,637 |
| Unamortized Loss on Debt | 26 | 251,553 | 2,770 | 260 | 0 | 3,311 | 6,341 |
| Total Additions | | 1,380,468 | 12,577 | 1,192 | 3,637 | 15,152 | 32,558 |
| Total Before Deductions | | 31,975,157 | 349,536 | 31,252 | 3,637 | 327,238 | 711,663 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (105,734) | (9,923) | 0 | (126,396) | (242,053) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | 0 |
| Total Deductions | | (9,676,674) | (105,734) | (9,923) | 0 | (126,396) | (242,053) |
| Total Rate Base | | 22,298,483 | 243,802 | 21,329 | 3,637 | 200,842 | 469,610 |
| Rate of Return | | 8.35% | (16.56%) | (17.53%) | 2503.49% | 7.60% | 13.24% |

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| Income Statement | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|--|-------------------|--------------------|---------------------------------------|---------------------|----------------|----------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 3,501 | 0 | 200,394 | 0 | 203,895 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 0 | 0 | 0 | 0 | 0 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 3,501 | 0 | 200,394 | 0 | 203,895 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 526 | 0 | 526 |
| Total Sales Revenues | | 13,630,444 | 3,501 | 0 | 200,920 | 0 | 204,421 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 68 | 6 | 0 | 63 | 137 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 32 | 0 | 40 | 72 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 117,554 | 117,554 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 2,157 | 0 | 0 | 0 | 2,157 |
| Miscellaneous | 27 | 12,385 | 136 | 12 | 0 | 126 | 274 |
| Other Rent from Electric Property | 27 | 78,750 | 867 | 77 | 0 | 803 | 1,747 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 15 | 0 | 185 | 200 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 1 | 0 | 12 | 13 |
| Patronage Dividends | 23 | 3,083 | 29 | 2 | 0 | 36 | 67 |
| Joint Use Agreements | 30 | 5,573 | 84 | 0 | 0 | 0 | 84 |
| Wheeling Fees | 30 | 124,698 | 1,879 | 0 | 0 | 0 | 1,879 |
| Miscellaneous | 23 | 157,421 | 1,492 | 124 | 0 | 1,850 | 3,466 |
| Total Other Revenues | | 701,821 | 6,712 | 269 | 0 | 120,669 | 127,650 |

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| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | Total SL Co. Own Rate 41 | |
|---|-------------------|--------------------|---------------------------------------|---------------------|-----------------|--------------------------|----------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | |
| Unbilled Revenue | 45 | (93,448) | (24) | 0 | (1,377) | 0 | (1,401) |
| Total Operating Revenues | | 14,238,817 | 10,189 | 269 | 199,543 | 120,669 | 330,670 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 58,378 | 0 | 58,378 |
| F&PP - Demand | Direct | 232,364 | 3,501 | 0 | 0 | 0 | 3,501 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 1,085 | 0 | 1,085 |
| Other Production | 2 | 1,298,466 | 19,561 | 0 | 0 | 0 | 19,561 |
| Total Production Expense | | 5,497,808 | 23,062 | 0 | 59,463 | 0 | 82,525 |
| Transmission Expense | 2 | 1,148,737 | 17,306 | 0 | 0 | 0 | 17,306 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 605 | 0 | 0 | 605 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 414 | 0 | 515 | 929 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 6,143 | 6,143 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 193 | 193 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 59 | 59 |
| Supervision & Engineering | 21 | 71,806 | 0 | 219 | 0 | 1,486 | 1,705 |
| Miscellaneous | 21 | 263,256 | 0 | 803 | 0 | 5,447 | 6,250 |
| Rents | 14 | 14,509 | 0 | 58 | 0 | 732 | 790 |
| Total Operation Expense | | 683,553 | 0 | 2,099 | 0 | 14,575 | 16,674 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 131 | 0 | 0 | 131 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 600 | 0 | 747 | 1,347 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 44 | 44 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 21,963 | 21,963 |
| Meters | 6 | 44 | 0 | 0 | 0 | 0 | 0 |
| Supervision & Engineering | 22 | 24,705 | 0 | 61 | 0 | 1,885 | 1,946 |
| Miscellaneous | 22 | 70,172 | 0 | 172 | 0 | 5,353 | 5,525 |
| Total Maintenance Expense | | 393,137 | 0 | 964 | 0 | 29,992 | 30,956 |
| Total Distribution Expenses | | 1,076,690 | 0 | 3,063 | 0 | 44,567 | 47,630 |

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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|---|-------------------|--------------------|---------------------------------------|---------------------|---------------|---------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 980 | 980 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 74 | 74 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 80 | 80 |
| Administrative & General Expenses | 24 | 1,453,539 | 13,780 | 1,145 | 0 | 17,082 | 32,007 |
| Total Electric O&M Expenses | | 9,541,553 | 54,148 | 4,208 | 59,463 | 62,783 | 180,602 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 3,501 | 0 | 59,463 | 0 | 62,964 |
| Other O&M Expenses | | 5,342,211 | 50,647 | 4,208 | 0 | 62,783 | 117,638 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 54,148 | 4,208 | 59,463 | 62,783 | 180,602 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 9,080 | 0 | 0 | 0 | 9,080 |
| Wind Production Plant | 3 | 284,287 | 4,265 | 0 | 0 | 0 | 4,265 |
| Total Production Plant | | 887,005 | 13,345 | 0 | 0 | 0 | 13,345 |
| Transmission Plant | 2 | 293,657 | 4,424 | 0 | 0 | 0 | 4,424 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 7 | 0 | 0 | 7 |
| Station Equipment | 4 | 41,316 | 0 | 630 | 0 | 0 | 630 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 490 | 0 | 610 | 1,100 |
| Line Transformers | 19 | 96,379 | 0 | 338 | 0 | 619 | 957 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 267 | 267 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 88 | 88 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 27,099 | 27,099 |
| Total Distribution Plant | | 469,247 | 0 | 1,465 | 0 | 28,683 | 30,148 |
| General, Common & Intangible Plant | 13 | 156,953 | 1,737 | 165 | 0 | 2,097 | 3,999 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 123 | 123 |
| Acquisition Adjustment | 29 | 684 | 10 | 0 | 0 | 0 | 10 |
| Total Depreciation Expense | | 1,844,338 | 19,516 | 1,630 | 0 | 30,903 | 52,049 |

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| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | Total SL Co. Own Rate 41 |
|---|-------------------|--------------------|---------------------------------------|---------------------|----------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 1,545 | 0 | 0 | 1,545 |
| Transmission Plant | 30 | 87,802 | 1,323 | 0 | 0 | 1,323 |
| Distribution Plant | 14 | 147,791 | 0 | 586 | 0 | 7,451 |
| General, Common & Intangible Plant | 13 | 51,458 | 569 | 54 | 0 | 688 |
| Total Ad Valorem Taxes | | <u>389,662</u> | <u>3,437</u> | <u>640</u> | <u>0</u> | <u>8,139</u> |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 2,279 | 189 | 0 | 2,825 |
| Total Taxes Other Than Income Taxes | | <u>630,066</u> | <u>5,716</u> | <u>829</u> | <u>0</u> | <u>10,964</u> |
| Total Operating Expense | | <u>12,015,957</u> | <u>79,380</u> | <u>6,667</u> | <u>59,463</u> | <u>104,650</u> |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 6,877 | 613 | 0 | 6,369 |
| Taxable Income Before Adjustments | | 1,598,450 | (76,068) | (7,011) | 140,080 | 9,650 |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 47,014 | 4,412 | 0 | 56,201 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 81 | 8 | 0 | 96 |
| Total Deductions | | <u>4,277,341</u> | <u>47,095</u> | <u>4,420</u> | <u>0</u> | <u>56,297</u> |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (123,163) | (11,431) | 140,080 | (46,647) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | <u>(2,678,891)</u> | <u>(123,163)</u> | <u>(11,431)</u> | <u>140,080</u> | <u>(46,647)</u> |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (43,107) | (4,001) | 49,028 | (16,326) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (3,641) | (342) | 0 | (4,352) |
| Federal and State Income Taxes | | <u>(1,268,280)</u> | <u>(46,748)</u> | <u>(4,343)</u> | <u>49,028</u> | <u>(20,678)</u> |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 2,107 | 198 | 0 | 2,519 |
| Federal & State Income Taxes | | <u>(1,076,876)</u> | <u>(44,641)</u> | <u>(4,145)</u> | <u>49,028</u> | <u>(18,159)</u> |

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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | Total SL Co. Own Rate 41 | |
|---|-------------------|--------------------|---------------------------------------|---------------------|-----------------|--------------------------|---------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 15,195 | 1,426 | 0 | 18,164 | 34,785 |
| Closing/Filing & Out of Period | 26 | 57,361 | 632 | 59 | 0 | 755 | 1,446 |
| Total Deferred Income Taxes | | 1,437,447 | 15,827 | 1,485 | 0 | 18,919 | 36,231 |
| Total Operating Expenses | | 12,376,528 | 50,566 | 4,007 | 108,491 | 105,410 | 268,474 |
| Total Operating Income | | 1,862,289 | (40,377) | (3,738) | 91,052 | 15,259 | 62,196 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 145,645 | 0 | 0 | 0 | 145,645 |
| Wind Production | 3 | 11,268,091 | 169,044 | 0 | 0 | 0 | 169,044 |
| Transmission | 2 | 549,643 | 8,280 | 0 | 0 | 0 | 8,280 |
| Distribution | 14 | 425,836 | 0 | 1,689 | 0 | 21,470 | 23,159 |
| General, Common & Intangible | 13 | 88,738 | 982 | 93 | 0 | 1,186 | 2,261 |
| Acquisition Adjustment | 29 | (13,346) | (201) | 0 | 0 | 0 | (201) |
| Plant Additions | | 21,986,739 | 323,750 | 1,782 | 0 | 22,656 | 348,188 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 13,017 | 0 | 0 | 0 | 13,017 |
| Wind Production | 49 | 592,647 | 8,891 | 0 | 0 | 0 | 8,891 |
| Transmission | 2 | 275,449 | 4,150 | 0 | 0 | 0 | 4,150 |
| Distribution | 14 | 292,272 | 0 | 1,159 | 0 | 14,736 | 15,895 |
| General, Common & Intangible | 13 | (69,964) | (774) | (74) | 0 | (935) | (1,783) |
| Acquisition Adjustment | 29 | (13,016) | (196) | 0 | 0 | 0 | (196) |
| Plant Additions | | 1,941,421 | 25,088 | 1,085 | 0 | 13,801 | 39,974 |
| Net Adjustment to Plant | | 20,045,318 | 298,662 | 697 | 0 | 8,855 | 308,214 |

MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|--|-------------------|--------------------|---------------------------------------|---------------------|--------|----------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (643) | (61) | 0 | (776) | (1,480) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (54) | 0 | (54) |
| Prepayments - Adjustment G | 26 | 37,894 | 417 | 39 | 0 | 499 | 955 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (316) | (30) | 0 | (378) | (724) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 11,655 | 0 | 0 | 0 | 11,655 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (1,025) | 0 | 0 | 0 | (1,025) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (569) | 0 | 0 | 0 | (569) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 4,250 | 353 | 0 | 5,268 | 9,871 |
| Total | | 1,063,583 | 13,769 | 301 | (54) | 4,613 | 18,629 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 6,107 | 573 | 0 | 7,300 | 13,980 |
| Normalization - Adjustment M | 26 | (25,826) | (284) | (27) | 0 | (340) | (651) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | (2) | 0 | (119) | 0 | (121) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 11,181 | 0 | 0 | 0 | 11,181 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 8,894 | 0 | 0 | 0 | 8,894 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 4,079 | 0 | 0 | 0 | 4,079 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (359) | 0 | 0 | 0 | (359) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (199) | 0 | 0 | 0 | (199) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 1,487 | 124 | 0 | 1,844 | 3,455 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 30,904 | 670 | (119) | 8,804 | 40,259 |
| Total Pro Forma Adjustments | | 18,861,743 | 281,527 | 328 | 65 | 4,664 | 286,584 |

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Twelve Months Ended December 31, 2014

| Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 | |
|---|--------------------|---------------------------------------|---------------------|--------|----------|--------------------------|---------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | (3,009) | 0 | 10,885 | 0 | 7,876 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | 0 | 0 | 0 | 0 | 0 |
| Total Retail Sales Adjustment | | 240,767 | (3,009) | 0 | 10,885 | 0 | 7,876 |
| Unbilled Revenue | 45 | 93,448 | 24 | 0 | 1,377 | 0 | 1,401 |
| Total | | 334,215 | (2,985) | 0 | 12,262 | 0 | 9,277 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (526) | 0 | (526) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (1,383) | (115) | 0 | (1,714) | (3,212) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (4,368) | (115) | 11,736 | (1,714) | 5,539 |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (1,590) | 0 | (1,590) |
| F&PP - Demand | Direct | (199,724) | (3,009) | 0 | 0 | 0 | (3,009) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (3,009) | 0 | (1,590) | 0 | (4,599) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 1,509 | 0 | 3,892 | 0 | 5,401 |
| Transmission | 2 | 213,540 | 3,217 | 0 | 0 | 0 | 3,217 |
| Distribution | 21 | 21,844 | 0 | 67 | 0 | 452 | 519 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 15 | 15 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 2 | 2 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (6) | (6) |
| Administrative & General | 24 | 206,532 | 1,958 | 163 | 0 | 2,427 | 4,548 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 6,684 | 230 | 3,892 | 2,890 | 13,696 |
| Total Adjustments to O&M | | 499,424 | 3,675 | 230 | 2,302 | 2,890 | 9,097 |

MONTANA-DAKOTA UTILITIES CO.
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| | Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 |
|---|-------------------|--------------------|---------------------------------------|---------------------|--------------|----------------|--------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 5,693 | 0 | 0 | 0 | 5,693 |
| Wind Production | 3 | 592,647 | 8,891 | 0 | 0 | 0 | 8,891 |
| Transmission Plant | 30 | 20,395 | 307 | 0 | 0 | 0 | 307 |
| Distribution Plant | 14 | 6,913 | 0 | 27 | 0 | 349 | 376 |
| General, Common & Intangible Plant | 13 | 23,006 | 255 | 24 | 0 | 307 | 586 |
| Acquisition Adjustment | 29 | (684) | (10) | 0 | 0 | 0 | (10) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 1,226 | 0 | 0 | 0 | 1,226 |
| Decommissioning of Power Plants | 29 | 136,083 | 2,048 | 0 | 0 | 0 | 2,048 |
| Retired Power Plant Amortization | 29 | (3,979) | (60) | 0 | 0 | 0 | (60) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 18,350 | 51 | 0 | 656 | 19,057 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 979 | 0 | 0 | 0 | 979 |
| Transmission Plant | 30 | 3,198 | 48 | 0 | 0 | 0 | 48 |
| Distribution Plant | 14 | 4,016 | 0 | 16 | 0 | 202 | 218 |
| General Plant | 13 | 2,882 | 32 | 3 | 0 | 39 | 74 |
| Common & Intangible Plant | 13 | 753 | 8 | 1 | 0 | 10 | 19 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 1,067 | 20 | 0 | 251 | 1,338 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 67 | 6 | 0 | 83 | 156 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 7 | 1 | 0 | 9 | 17 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 324 | 0 | 0 | 0 | 324 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 1,465 | 27 | 0 | 343 | 1,835 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 4,814 | 429 | 0 | 4,459 | 9,702 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 2,099 | 0 | 0 | 0 | 2,099 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 31,945 | 0 | 0 | 0 | 31,945 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 25,412 | 0 | 0 | 0 | 25,412 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (764) | 0 | 0 | 0 | (764) |
| | | 4,340,233 | 63,506 | 429 | 0 | 4,459 | 68,394 |
| Net Adjustments to Operating Income | | (4,787,574) | (72,954) | (801) | 9,434 | (9,406) | (73,727) |

**MONTANA-DAKOTA UTILITIES CO.
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Twelve Months Ended December 31, 2014**

| Allocation Factor | Total South Dakota | Street Lighting Company Owned Rate 41 | | | | Total SL Co. Own Rate 41 | |
|--|--------------------|---------------------------------------|---------------------|--------------|--------------|--------------------------|-----------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (31,977) | (298) | 3,302 | (3,522) | (32,495) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (7,349) | 0 | 0 | 0 | (7,349) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (2,107) | (198) | 0 | (2,519) | (4,824) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (41,433) | (496) | 3,302 | (6,041) | (44,668) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 2,024 | 190 | 0 | 2,420 | 4,634 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 11,916 | 0 | 0 | 0 | 11,916 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 8,894 | 0 | 0 | 0 | 8,894 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 22,834 | 190 | 0 | 2,420 | 25,444 |
| Total Adjustments to Income: | | (462,802) | (9,259) | (117) | 6,132 | (1,982) | (5,226) |

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| Rate Base | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 |
|--|-------------------|--------------------|---|---------------------|----------|---------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Electric Plant in Service | | | | | | | |
| Production Plant | 2 | 22,703,319 | 48,861 | 0 | 0 | 0 | 48,861 |
| Wind Production Plant | 3 | 5,635,424 | 12,178 | 0 | 0 | 0 | 12,178 |
| Total Production Plant | | 28,338,743 | 61,039 | 0 | 0 | 0 | 61,039 |
| Transmission Plant | 2 | 15,126,422 | 32,554 | 0 | 0 | 0 | 32,554 |
| Distribution Plant | | | | | | | |
| Land | 4 | 31,268 | 0 | 68 | 0 | 0 | 68 |
| Rights of Way | 4 | 34,047 | 0 | 74 | 0 | 0 | 74 |
| Station Equipment | 4 | 2,256,586 | 0 | 4,937 | 0 | 0 | 4,937 |
| Poles, OH & UG Conductors & Conduit | | | | | | | |
| Customer Related | 8.0 | 4,576,556 | 0 | 0 | 0 | 9,750 | 9,750 |
| Demand Related | 4.1 | 807,627 | 0 | 1,767 | 0 | 0 | 1,767 |
| Line Transformers | | | | | | | |
| Customer Related | 11 | 3,174,737 | 0 | 0 | 0 | 16,828 | 16,828 |
| Demand Related | 5 | 949,905 | 0 | 2,078 | 0 | 0 | 2,078 |
| Services | 10 | 1,777,598 | 0 | 0 | 0 | 7,842 | 7,842 |
| Meters | 6 | 1,144,820 | 0 | 0 | 0 | 1,619 | 1,619 |
| Installation on Customer Premise | Direct | 185,796 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 733,513 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 15,672,453 | 0 | 8,924 | 0 | 36,039 | 44,963 |
| General, Common & Intangible Plant | 13 | 4,592,780 | 7,269 | 693 | 0 | 2,799 | 10,761 |
| Intangible Plant - Common (CC&B) | 8 | 534,941 | 0 | 0 | 0 | 1,140 | 1,140 |
| Acquisition Adjustment | 29 | 568,397 | 1,224 | 0 | 0 | 0 | 1,224 |
| Total Electric Plant in Service | | 64,833,736 | 102,086 | 9,617 | 0 | 39,978 | 151,681 |

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| | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 |
|--|-------------------|--------------------|---|---------------------|----------|----------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Less: Accumulated Depreciation | | | | | | | |
| Production Plant | 2 | 12,334,589 | 26,546 | 0 | 0 | 0 | 26,546 |
| Wind Production Plant | 3 | 1,281,689 | 2,770 | 0 | 0 | 0 | 2,770 |
| Total Production Plant | | 13,616,278 | 29,316 | 0 | 0 | 0 | 29,316 |
| Transmission Plant | 2 | 9,034,445 | 19,443 | 0 | 0 | 0 | 19,443 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 26,514 | 0 | 58 | 0 | 0 | 58 |
| Station Equipment | 4 | 1,371,002 | 0 | 2,999 | 0 | 0 | 2,999 |
| Poles, OH & UG Conductors & Conduit | 15 | 3,481,181 | 0 | 1,142 | 0 | 6,304 | 7,446 |
| Line Transformers | 19 | 1,452,819 | 0 | 732 | 0 | 5,927 | 6,659 |
| Services | 10 | 1,622,762 | 0 | 0 | 0 | 7,159 | 7,159 |
| Meters | 6 | 4,577 | 0 | 0 | 0 | 6 | 6 |
| Installation on Customer Premise | Direct | 83,410 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal System | Direct | 477,751 | 0 | 0 | 0 | 0 | 0 |
| Distribution Plant | | 8,520,016 | 0 | 4,931 | 0 | 19,396 | 24,327 |
| General, Common & Intangible Plant | 13 | 2,454,896 | 3,885 | 370 | 0 | 1,496 | 5,751 |
| Intangible Plant - Common (CC&B) | 8 | 45,345 | 0 | 0 | 0 | 97 | 97 |
| Acquisition Adjustment | 29 | 568,067 | 1,224 | 0 | 0 | 0 | 1,224 |
| Less: Total Accumulated Reserve for Depreciation | | 34,239,047 | 53,868 | 5,301 | 0 | 20,989 | 80,158 |
| Net Electric Plant in Service | | 30,594,689 | 48,218 | 4,316 | 0 | 18,989 | 71,523 |
| Additions | | | | | | | |
| Materials & Supplies | 13 | 876,827 | 1,388 | 132 | 0 | 534 | 2,054 |
| Prepayments | 26 | 9,483 | 15 | 1 | 0 | 6 | 22 |
| Fuel Stocks | 1 | 242,605 | 0 | 0 | 525 | 0 | 525 |
| Unamortized Loss on Debt | 26 | 251,553 | 396 | 37 | 0 | 155 | 588 |
| Total Additions | | 1,380,468 | 1,799 | 170 | 525 | 695 | 3,189 |
| Total Before Deductions | | 31,975,157 | 50,017 | 4,486 | 525 | 19,684 | 74,712 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | 26 | (9,603,359) | (15,121) | (1,424) | 0 | (5,922) | (22,467) |
| Accumulated Investment Tax Credit | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Advances For Construction | Direct | (73,315) | 0 | 0 | 0 | 0 | 0 |
| Total Deductions | | (9,676,674) | (15,121) | (1,424) | 0 | (5,922) | (22,467) |
| Total Rate Base | | 22,298,483 | 34,896 | 3,062 | 525 | 13,762 | 52,245 |
| Rate of Return | | 8.35% | (16.53%) | (17.50%) | 2224.38% | (20.85%) | 4.79% |

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| | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 |
|--|-------------------|--------------------|---|---------------------|---------------|------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Income Statement | | | | | | | |
| Electric Operating Revenues | | | | | | | |
| Retail Sales | | | | | | | |
| Residential - Rate 10 | Direct | 6,979,925 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | 768 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 3,074,301 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | 15,767 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 2,810,503 | 0 | 0 | 0 | 0 | 0 |
| General Electric Space Heating Service Rate 32 | Direct | 312,150 | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | 104,300 | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 66,613 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 203,895 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 27,153 | 500 | 0 | 26,653 | 0 | 27,153 |
| Total Electric Retail Sales Revenues | | 13,595,375 | 500 | 0 | 26,653 | 0 | 27,153 |
| Sales for Resale | 1 | 35,069 | 0 | 0 | 76 | 0 | 76 |
| Total Sales Revenues | | 13,630,444 | 500 | 0 | 26,729 | 0 | 27,229 |
| Other Revenue | | | | | | | |
| Miscellaneous | | | | | | | |
| Other Miscellaneous Service Revenue | 27 | 6,204 | 10 | 1 | 0 | 4 | 15 |
| Rent from Electric Property | | | | | | | |
| Pole Attachments | 15 | 13,914 | 0 | 5 | 0 | 25 | 30 |
| Street Lights | Direct | 117,554 | 0 | 0 | 0 | 0 | 0 |
| Yard Lights | Direct | 35,173 | 0 | 0 | 0 | 0 | 0 |
| Joint Use Facilities | 30 | 143,149 | 308 | 0 | 0 | 0 | 308 |
| Miscellaneous | 27 | 12,385 | 20 | 2 | 0 | 8 | 30 |
| Other Rent from Electric Property | 27 | 78,750 | 124 | 11 | 0 | 49 | 184 |
| Other Electric Revenues | | | | | | | |
| Sales of Sundry Junk Material | 14 | 3,677 | 0 | 2 | 0 | 8 | 10 |
| Sales of Operating of Construction Material | 14 | 240 | 0 | 0 | 0 | 1 | 1 |
| Patronage Dividends | 23 | 3,083 | 4 | 0 | 0 | 2 | 6 |
| Joint Use Agreements | 30 | 5,573 | 12 | 0 | 0 | 0 | 12 |
| Wheeling Fees | 30 | 124,698 | 268 | 0 | 0 | 0 | 268 |
| Miscellaneous | 23 | 157,421 | 213 | 18 | 0 | 97 | 328 |
| Total Other Revenues | | 701,821 | 959 | 39 | 0 | 194 | 1,192 |

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| Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 | |
|---|--------------------|---|---------------------|------------|---------------|---------------------------|---------------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Margin Sharing Adjustment | 1 | 0 | 0 | 0 | 0 | 0 | |
| Unbilled Revenue | 45 | (93,448) | (3) | 0 | (183) | 0 | |
| Total Operating Revenues | | 14,238,817 | 1,456 | 39 | 26,546 | 194 | 28,235 |
| Operation & Maintenance Expenses | | | | | | | |
| Production Expense | | | | | | | |
| F&PP - Energy | Direct | 3,894,587 | 0 | 0 | 8,423 | 0 | 8,423 |
| F&PP - Demand | Direct | 232,364 | 500 | 0 | 0 | 0 | 500 |
| F&PP - Non-Fuel Expenses | 1 | 72,391 | 0 | 0 | 157 | 0 | 157 |
| Other Production | 2 | 1,298,466 | 2,794 | 0 | 0 | 0 | 2,794 |
| Total Production Expense | | 5,497,808 | 3,294 | 0 | 8,580 | 0 | 11,874 |
| Transmission Expense | 2 | 1,148,737 | 2,472 | 0 | 0 | 0 | 2,472 |
| Distribution Expenses | | | | | | | |
| Operation | | | | | | | |
| Station | 4 | 39,675 | 0 | 87 | 0 | 0 | 87 |
| Overhead & Underground Lines | 15 | 181,098 | 0 | 59 | 0 | 328 | 387 |
| Street & Signal Lighting | Direct | 6,143 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 89,514 | 0 | 0 | 0 | 127 | 127 |
| Customer Installations | 8 | 17,552 | 0 | 0 | 0 | 37 | 37 |
| Supervision & Engineering | 21 | 71,806 | 0 | 31 | 0 | 106 | 137 |
| Miscellaneous | 21 | 263,256 | 0 | 115 | 0 | 388 | 503 |
| Rents | 14 | 14,509 | 0 | 8 | 0 | 33 | 41 |
| Total Operation Expense | | 683,553 | 0 | 300 | 0 | 1,019 | 1,319 |
| Maintenance | | | | | | | |
| Station | 4 | 8,593 | 0 | 19 | 0 | 0 | 19 |
| Overhead & Underground Lines | 15 | 262,440 | 0 | 86 | 0 | 475 | 561 |
| Line Transformers | 11 | 5,220 | 0 | 0 | 0 | 28 | 28 |
| Street Lighting & Signal Systems | Direct | 21,963 | 0 | 0 | 0 | 0 | 0 |
| Meters | 6 | 44 | 0 | 0 | 0 | 0 | 0 |
| Supervision & Engineering | 22 | 24,705 | 0 | 9 | 0 | 42 | 51 |
| Miscellaneous | 22 | 70,172 | 0 | 25 | 0 | 118 | 143 |
| Total Maintenance Expense | | 393,137 | 0 | 139 | 0 | 663 | 802 |
| Total Distribution Expenses | | 1,076,690 | 0 | 439 | 0 | 1,682 | 2,121 |

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| | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 |
|---|-------------------|--------------------|---|---------------------|--------------|--------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | |
| Customer Accounts Expense | 12 | 316,986 | 0 | 0 | 0 | 624 | 624 |
| Customer Info. Expense | 12 | 23,857 | 0 | 0 | 0 | 47 | 47 |
| Sales Expense | 8.0 | 23,936 | 0 | 0 | 0 | 51 | 51 |
| Administrative & General Expenses | 24 | 1,453,539 | 1,968 | 164 | 0 | 899 | 3,031 |
| Total Electric O&M Expenses | | 9,541,553 | 7,734 | 603 | 8,580 | 3,303 | 20,220 |
| Total Operating Expenses | | | | | | | |
| Cost of Fuel & Purchased Power | | 4,199,342 | 500 | 0 | 8,580 | 0 | 9,080 |
| Other O&M Expenses | | 5,342,211 | 7,234 | 603 | 0 | 3,303 | 11,140 |
| Total Operation & Maintenance Expenses | | 9,541,553 | 7,734 | 603 | 8,580 | 3,303 | 20,220 |
| Depreciation Expense | | | | | | | |
| Production Plant | 2 | 602,718 | 1,297 | 0 | 0 | 0 | 1,297 |
| Wind Production Plant | 3 | 284,287 | 614 | 0 | 0 | 0 | 614 |
| Total Production Plant | | 887,005 | 1,911 | 0 | 0 | 0 | 1,911 |
| Transmission Plant | 2 | 293,657 | 632 | 0 | 0 | 0 | 632 |
| Distribution Plant | | | | | | | |
| Rights of Way | 4 | 460 | 0 | 1 | 0 | 0 | 1 |
| Station Equipment | 4 | 41,316 | 0 | 90 | 0 | 0 | 90 |
| Poles, OH & UG Conductors & Conduit | 15 | 214,185 | 0 | 70 | 0 | 388 | 458 |
| Line Transformers | 19 | 96,379 | 0 | 49 | 0 | 393 | 442 |
| Services | 10 | 38,449 | 0 | 0 | 0 | 170 | 170 |
| Meters | 6 | 40,977 | 0 | 0 | 0 | 58 | 58 |
| Installation on Cust. Premises | Direct | 10,382 | 0 | 0 | 0 | 0 | 0 |
| Street Light & Signal Systems | Direct | 27,099 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution Plant | | 469,247 | 0 | 210 | 0 | 1,009 | 1,219 |
| General, Common & Intangible Plant | 13 | 156,953 | 248 | 24 | 0 | 96 | 368 |
| Intangible Plant - Common (CC&B) | 8 | 36,792 | 0 | 0 | 0 | 78 | 78 |
| Acquisition Adjustment | 29 | 684 | 1 | 0 | 0 | 0 | 1 |
| Total Depreciation Expense | | 1,844,338 | 2,792 | 234 | 0 | 1,183 | 4,209 |

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| | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | Total SL Muni Own Rate 41 |
|--|-------------------|--------------------|---|---------------------|-----------------|---------------------------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | |
| Taxes Other Than Income | | | | | | |
| Ad Valorem Taxes | | | | | | |
| Production Plant | 29 | 102,611 | 221 | 0 | 0 | 221 |
| Transmission Plant | 30 | 87,802 | 189 | 0 | 0 | 189 |
| Distribution Plant | 14 | 147,791 | 0 | 84 | 340 | 424 |
| General, Common & Intangible Plant | 13 | 51,458 | 81 | 8 | 31 | 120 |
| Total Ad Valorem Taxes | | 389,662 | 491 | 92 | 371 | 954 |
| Other Taxes | | | | | | |
| Other Taxes - Payroll, Franchise, Other | 23 | 240,404 | 326 | 27 | 149 | 502 |
| Total Taxes Other Than Income Taxes | | 630,066 | 817 | 119 | 520 | 1,456 |
| Total Operating Expense | | 12,015,957 | 11,343 | 956 | 8,580 | 25,885 |
| Income Taxes | | | | | | |
| Interest Expense | 27 | 624,410 | 984 | 88 | 388 | 1,460 |
| Taxable Income Before Adjustments | | 1,598,450 | (10,871) | (1,005) | 17,966 | 890 |
| Deductions | | | | | | |
| Other Income Tax Charges | 26 | 4,270,027 | 6,723 | 633 | 2,633 | 9,989 |
| Preferred Dividend Paid Deduction | 26 | 7,314 | 12 | 1 | 5 | 18 |
| Total Deductions | | 4,277,341 | 6,735 | 634 | 2,638 | 10,007 |
| Taxable Income (Before State Income Tax) | | (2,678,891) | (17,606) | (1,639) | 17,966 | (9,117) |
| Less: State Income Tax | 44 | 0 | 0 | 0 | 0 | 0 |
| Federal Taxable Income | | (2,678,891) | (17,606) | (1,639) | 17,966 | (9,117) |
| Federal Income Tax | | | | | | |
| @ Current Rate of 35% | 35% | (937,612) | (6,162) | (574) | 6,288 | (3,191) |
| State Income Taxes | 44 | 0 | 0 | 0 | 0 | 0 |
| Credits and Adjustments | 26 | (330,668) | (521) | (49) | 0 | (774) |
| Federal and State Income Taxes | | (1,268,280) | (6,683) | (623) | 6,288 | (3,965) |
| Rounding & Prior Year's Adjustment | 26 | 191,404 | 301 | 28 | 0 | 447 |
| Federal & State Income Taxes | | (1,076,876) | (6,382) | (595) | 6,288 | (3,518) |

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| Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | | Total SL Muni Own Rate 41 | |
|---|--------------------|---|---------------------|--------|----------|---------------------------|--------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Deferred Income Taxes | | | | | | | |
| Charges (Credits) to Income | | | | | | | |
| Other Deferred Income Tax Chgs | 26 | 1,380,086 | 2,173 | 205 | 0 | 851 | 3,229 |
| Closing/Filing & Out of Period | 26 | 57,361 | 90 | 9 | 0 | 35 | 134 |
| Total Deferred Income Taxes | | 1,437,447 | 2,263 | 214 | 0 | 886 | 3,363 |
| Total Operating Expenses | | 12,376,528 | 7,224 | 575 | 14,868 | 3,063 | 25,730 |
| Total Operating Income | | 1,862,289 | (5,768) | (536) | 11,678 | (2,869) | 2,505 |
| Summary of Pro Forma Rate Base Adjustments | | | | | | | |
| Plant | | | | | | | |
| Plant Additions - Adjustments A/B | | | | | | | |
| Production | 2 | 9,667,777 | 20,806 | 0 | 0 | 0 | 20,806 |
| Wind Production | 3 | 11,268,091 | 24,350 | 0 | 0 | 0 | 24,350 |
| Transmission | 2 | 549,643 | 1,183 | 0 | 0 | 0 | 1,183 |
| Distribution | 14 | 425,836 | 0 | 242 | 0 | 979 | 1,221 |
| General, Common & Intangible | 13 | 88,738 | 140 | 13 | 0 | 54 | 207 |
| Acquisition Adjustment | 29 | (13,346) | (29) | 0 | 0 | 0 | (29) |
| Plant Additions | | 21,986,739 | 46,450 | 255 | 0 | 1,033 | 47,738 |
| Accumulated Reserve for Depreciation | | | | | | | |
| Plant Additions - Adjustment C/D | | | | | | | |
| Production | 50 | 864,033 | 1,859 | 0 | 0 | 0 | 1,859 |
| Wind Production | 49 | 592,647 | 1,281 | 0 | 0 | 0 | 1,281 |
| Transmission | 2 | 275,449 | 593 | 0 | 0 | 0 | 593 |
| Distribution | 14 | 292,272 | 0 | 166 | 0 | 672 | 838 |
| General, Common & Intangible | 13 | (69,964) | (111) | (11) | 0 | (43) | (165) |
| Acquisition Adjustment | 29 | (13,016) | (28) | 0 | 0 | 0 | (28) |
| Plant Additions | | 1,941,421 | 3,594 | 155 | 0 | 629 | 4,378 |
| Net Adjustment to Plant | | 20,045,318 | 42,856 | 100 | 0 | 404 | 43,360 |

MONTANA-DAKOTA UTILITIES CO.
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Embedded Class Cost of Service Study
Twelve Months Ended December 31, 2014

| | Allocation Factor | Total South Dakota | Street Lighting Municipal Owned Rate 41 | | | Total SL Muni Own Rate 41 | |
|--|-------------------|--------------------|---|---------------------|-----------------|---------------------------|--------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Additions | | | | | | | |
| Materials and Supplies - Adjustment E | 13 | (58,080) | (92) | (9) | 0 | (35) | (136) |
| Fuel Stores - Adjustment F | 1 | (3,604) | 0 | 0 | (8) | 0 | (8) |
| Prepayments - Adjustment G | 26 | 37,894 | 60 | 6 | 0 | 23 | 89 |
| Unamortized Loss on Debt - Adjustment H | 26 | (28,691) | (45) | (4) | 0 | (18) | (67) |
| Deferred Generation Costs - Adjustment I | 2 | 773,641 | 1,665 | 0 | 0 | 0 | 1,665 |
| Accu. Amort of Decomm Costs- Adjustment J | 2 | (68,042) | (146) | 0 | 0 | 0 | (146) |
| Unamort. Decomm. Retired Power Plant - Adj. K | 2 | (37,798) | (81) | 0 | 0 | 0 | (81) |
| Unamort. Regulatory Commission Exp.- Adj. L | 24 | 448,263 | 607 | 51 | 0 | 277 | 935 |
| Total | | 1,063,583 | 1,968 | 44 | (8) | 247 | 2,251 |
| Deductions | | | | | | | |
| Accumulated Deferred Income Tax | | | | | | | |
| Plant Additions - Adjustment M | 26 | 554,633 | 873 | 82 | 0 | 342 | 1,297 |
| Normalization - Adjustment M | 26 | (25,826) | (41) | (4) | 0 | (16) | (61) |
| Unamortized Loss on Debt - Adjustment M | 45 | (8,057) | 0 | 0 | (16) | 0 | (16) |
| Large Generation Projects - Adjustment O | 50 | 742,169 | 1,597 | 0 | 0 | 0 | 1,597 |
| New Wind Generation - Adjustment O | 49 | 592,872 | 1,281 | 0 | 0 | 0 | 1,281 |
| Deferred Generation - Adjustment M | 2 | 270,775 | 583 | 0 | 0 | 0 | 583 |
| Decommissioning of Retired Plants - Adjustment M | 2 | (23,815) | (51) | 0 | 0 | 0 | (51) |
| Retired Power Plant - Adjustment M | 2 | (13,229) | (28) | 0 | 0 | 0 | (28) |
| Customer Advances for Construction - DIT | Direct | (400) | 0 | 0 | 0 | 0 | 0 |
| Unamort. Regulatory Commission Exp. - Adj M | 24 | 156,893 | 212 | 18 | 0 | 97 | 327 |
| Customer Advances for Construction | Direct | 1,143 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,247,158 | 4,426 | 96 | (16) | 423 | 4,929 |
| Total Pro Forma Adjustments | | 18,861,743 | 40,398 | 48 | 8 | 228 | 40,682 |

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY -
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|---|--------------------|---|---------------------|--------|----------|---------------------------|-------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Pro Forma Adjustments - Operating Income | | | | | | | |
| Pro Forma Revenue Adjustments | | | | | | | |
| Adjustment No. 1 - Sales Revenue Adjustments | | | | | | | |
| Residential - Rate 10 | Direct | 121,801 | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Primary | Direct | (158) | 0 | 0 | 0 | 0 | 0 |
| Small General Service - Rate 20-Secondary | Direct | 73,029 | 0 | 0 | 0 | 0 | 0 |
| Irrigation Power - Rate 25 | Direct | (8,242) | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Primary | Direct | 0 | 0 | 0 | 0 | 0 | 0 |
| Large General Service - Rate 30 Secondary | Direct | 83,430 | 0 | 0 | 0 | 0 | 0 |
| Schedule 32 | Direct | (36,260) | 0 | 0 | 0 | 0 | 0 |
| Municipal Pumping - Rate 48 | Direct | (3,498) | 0 | 0 | 0 | 0 | 0 |
| Private Lighting - Rate 24 | Direct | 1,672 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Company Owned | Direct | 7,876 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting - Rate 41 Municipal Owned | Direct | 1,117 | (430) | 0 | 1,547 | 0 | 1,117 |
| Total Retail Sales Adjustment | | 240,767 | (430) | 0 | 1,547 | 0 | 1,117 |
| Unbilled Revenue | 45 | 93,448 | 3 | 0 | 183 | 0 | 186 |
| Total | | 334,215 | (427) | 0 | 1,730 | 0 | 1,303 |
| Sales for Resale - Adjustment No. 2 | 1 | (35,069) | 0 | 0 | (76) | 0 | (76) |
| Other Revenue - Adjustment No. 3 | 23 | (145,839) | (197) | (16) | 0 | (90) | (303) |
| Total Pro Forma Revenue Adjustments | | 153,307 | (624) | (16) | 1,654 | (90) | 924 |
| Operation & Maintenance Expenses | | | | | | | |
| F&PP - Energy | Direct | (106,068) | 0 | 0 | (229) | 0 | (229) |
| F&PP - Demand | Direct | (199,724) | (430) | 0 | 0 | 0 | (430) |
| Total Cost of Fuel & Purchased Power - Adj. No. 4 | | (305,792) | (430) | 0 | (229) | 0 | (659) |
| Other O&M | | | | | | | |
| Production | 47 | 359,837 | 216 | 0 | 562 | 0 | 778 |
| Transmission | 2 | 213,540 | 460 | 0 | 0 | 0 | 460 |
| Distribution | 21 | 21,844 | 0 | 10 | 0 | 32 | 42 |
| Customer Accounting | 12 | 4,764 | 0 | 0 | 0 | 9 | 9 |
| Customer Service & Information | 12 | 593 | 0 | 0 | 0 | 1 | 1 |
| Sales | 8 | (1,894) | 0 | 0 | 0 | (4) | (4) |
| Administrative & General | 24 | 206,532 | 280 | 23 | 0 | 128 | 431 |
| Other | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other O&M - Adj. 5 - 29 | | 805,216 | 956 | 33 | 562 | 166 | 1,717 |
| Total Adjustments to O&M | | 499,424 | 526 | 33 | 333 | 166 | 1,058 |

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|---|--------------------|---|---------------------|--------|----------|---------------------------|---------|
| | | Demand Prod. & Trans. | Demand Distribution | Energy | Customer | | |
| Depreciation Expense | | | | | | | |
| Production Plant | 29 | 378,207 | 815 | 0 | 0 | 0 | 815 |
| Wind Production | 3 | 592,647 | 1,281 | 0 | 0 | 0 | 1,281 |
| Transmission Plant | 30 | 20,395 | 44 | 0 | 0 | 0 | 44 |
| Distribution Plant | 14 | 6,913 | 0 | 4 | 0 | 16 | 20 |
| General, Common & Intangible Plant | 13 | 23,006 | 36 | 3 | 0 | 14 | 53 |
| Acquisition Adjustment | 29 | (684) | (1) | 0 | 0 | 0 | (1) |
| Amort. - Unrecovered Plants | 29 | 81,436 | 175 | 0 | 0 | 0 | 175 |
| Decommissioning of Power Plants | 29 | 136,083 | 293 | 0 | 0 | 0 | 293 |
| Retired Power Plant Amortization | 29 | (3,979) | (9) | 0 | 0 | 0 | (9) |
| Total Depreciation Adjustment - Adj. 30 - 31 | | 1,234,024 | 2,634 | 7 | 0 | 30 | 2,671 |
| Taxes Other Than Income | | | | | | | |
| Ad Valorem | | | | | | | |
| Production Plant | 29 | 65,051 | 140 | 0 | 0 | 0 | 140 |
| Transmission Plant | 30 | 3,198 | 7 | 0 | 0 | 0 | 7 |
| Distribution Plant | 14 | 4,016 | 0 | 2 | 0 | 9 | 11 |
| General Plant | 13 | 2,882 | 5 | 0 | 0 | 2 | 7 |
| Common & Intangible Plant | 13 | 753 | 1 | 0 | 0 | 0 | 1 |
| Total Ad Valorem Taxes - Adj. No. 32 | | 75,900 | 153 | 2 | 0 | 11 | 166 |
| Payroll - Adj. No. 33 | 23 | 7,087 | 10 | 1 | 0 | 4 | 15 |
| SD Gross Receipts - Adj. No. 34 | 23 | 728 | 1 | 0 | 0 | 0 | 1 |
| Production Taxes - Adj. No. 35 | 2 | 21,488 | 46 | 0 | 0 | 0 | 46 |
| Total Adjustments to Taxes Other than Income | | 105,203 | 210 | 3 | 0 | 15 | 228 |
| Current Income Taxes | | | | | | | |
| Interest Annualization - Adj. No. 36 | 27 | 437,112 | 689 | 62 | 0 | 271 | 1,022 |
| Tax Depreciation on Plant Additions - Adj. No. 37 | 29 | 139,452 | 300 | 0 | 0 | 0 | 300 |
| Tax Depr. New Non-Wind Generation - Adj. No. 37 | 50 | 2,120,483 | 4,563 | 0 | 0 | 0 | 4,563 |
| Tax Depreciation - Wind Generation - Adj. No. 37 | 49 | 1,693,921 | 3,661 | 0 | 0 | 0 | 3,661 |
| AFUDC - Equity Adj. No. 38 | 29 | (50,735) | (109) | 0 | 0 | 0 | (109) |
| | | 4,340,233 | 9,104 | 62 | 0 | 271 | 9,437 |
| Net Adjustments to Operating Income | | (4,787,574) | (10,455) | (114) | 1,321 | (542) | (9,790) |

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|--|-------------------|--------------------|---|---------------------|-----------------|---------------------------|---------|
| | | | Demand Prod. & Trans. | Demand Distribution | Energy Customer | | |
| Income Taxes on Pro Forma Adj. - Adj. No. 38 | 35.00% | (2,108,952) | (4,584) | (42) | 462 | (200) | (4,364) |
| Electric Production Tax Credit Adj. No. 39 | 3 | (489,867) | (1,059) | 0 | 0 | 0 | (1,059) |
| Elimination of Closing/Filing&Res. Adj. - Adj. No. 40 | 26 | (191,404) | (301) | (28) | 0 | (118) | (447) |
| Total Adjustments to Current Income Taxes | | (2,790,223) | (5,944) | (70) | 462 | (318) | (5,870) |
| Deferred Income Taxes | | | | | | | |
| Elimination of Closing/Filing - Adj. No. 40 | 26 | 183,831 | 289 | 27 | 0 | 113 | 429 |
| Deferred Income Taxes on Plant Additions - Adj. No. 37 | 50 | 790,978 | 1,702 | 0 | 0 | 0 | 1,702 |
| Wind Production - Adj. No. 37 | 49 | 592,872 | 1,281 | 0 | 0 | 0 | 1,281 |
| Total Adjustments to Deferred Income Taxes | | 1,567,681 | 3,272 | 27 | 0 | 113 | 3,412 |
| Total Adjustments to Income: | | (462,802) | (1,322) | (16) | 859 | (96) | (575) |