

**MONTANA-DAKOTA UTILITIES CO.
 PRO FORMA OPERATING INCOME AND RATE OF RETURN
 REFLECTING ADDITIONAL REVENUE REQUIREMENTS
 ELECTRIC UTILITY - SOUTH DAKOTA**

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$13,836,142	\$2,655,643	\$16,491,785
Sales for Resale	0		0
Other	555,983		555,983
Total Revenues	<u>14,392,125</u>	<u>2,655,643</u>	<u>17,047,768</u>
Operating Expenses			
Operation and Maintenance			
Cost of Fuel and Purchased Power	3,895,338		3,895,338
Other O&M	6,145,639		6,145,639
Total O&M	<u>10,040,977</u>		<u>10,040,977</u>
Depreciation	3,078,362		3,078,362
Taxes Other Than Income	735,269	3,718 2.	738,987
Current Income Taxes	(3,867,098)	928,174 2.	(2,938,924)
Deferred Income Taxes	3,005,128		3,005,128
Total Expenses	<u>12,992,638</u>	<u>931,892</u>	<u>13,924,530</u>
Operating Income	<u>\$1,399,487</u>	<u>\$1,723,751</u>	<u>\$3,123,238</u>
Rate Base	<u>\$41,160,226</u>		<u>\$41,160,226</u>
Rate of Return	<u>3.400%</u>		<u>7.588%</u>

1/ See Rule 20:10:13:96, page 6.

2/ Reflects taxes at 35 percent after deducting South Dakota Gross Receipts tax of 0.14 percent.