

Revenue Requirement Calculation  
2016 Revenue Requirement

	10245258-MNGP Extended Power Uprate	Dec - 2015	Jan - 2016	Feb - 2016	Mar - 2016	Apr - 2016	May - 2016	Jun - 2016	Jul - 2016	Aug - 2016	Sep - 2016	Oct - 2016	Nov - 2016	Dec - 2016
A	Plant In-Service (CAA Input)	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826	644,122,826
B	Depreciation Reserve (CAA Input)	91,094,529	94,218,983	97,343,437	100,467,890	103,592,344	106,716,798	109,841,251	112,965,705	116,090,159	119,214,612	122,339,066	125,463,520	128,587,973
C	Accumulated Deferred Taxes (CAA Input)	112,606,124	112,456,392	112,306,660	112,156,928	112,007,196	111,857,463	111,707,731	111,557,999	111,408,267	111,258,535	111,108,803	110,959,071	110,809,339
D	(PIS - Reserve - ADIT)	440,422,173	437,447,451	434,472,729	431,498,008	428,523,286	425,548,564	422,573,843	419,599,121	416,624,400	413,649,678	410,674,956	407,700,235	404,725,513
E	<b>Average Rate Base (Prior Mo + Cur Month)/2</b>		<b>438,934,812</b>	<b>435,960,090</b>	<b>432,985,369</b>	<b>430,010,647</b>	<b>427,035,925</b>	<b>424,061,204</b>	<b>421,086,482</b>	<b>418,111,760</b>	<b>415,137,039</b>	<b>412,162,317</b>	<b>409,187,596</b>	<b>406,212,874</b>
F	Tax Depreciation Expense (CAA Input)		2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368	2,503,368
G	Debt Return (Ave RB * Wtd Cost of Debt) [TRADE SECRET BEGINS													
H	Equity Return (Ave RB * Wtd Cost of Equity)													
I	Current Income Tax Requirement (See Below)		1,238,596	1,231,922	1,225,248	1,218,573	1,211,899	1,205,225	1,198,551	1,191,877	1,185,203	1,178,529	1,171,855	1,165,181
J	Book Depreciation (CAA Input)		3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454
K	Deferred Taxes (CAA Input)		(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)
L	Total Revenue Requirement (G+H+I+J+K)		6,854,242	6,829,670	6,805,098	6,780,526	6,755,954	6,731,382	6,706,810	6,682,238	6,657,666	6,633,094	6,608,522	6,583,950
M	Jurisdiction Revenue Requirement (L * SD Jur Factor)		371,596	370,264	368,932	367,599	366,267	364,935	363,603	362,271	360,939	359,607	358,274	356,942
N	Base Rates (Amt for project in 2014 Test Year)		(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)
O	<b>Rider Revenue Requirement (M - O)</b>		<b>249,748</b>	<b>248,416</b>	<b>247,084</b>	<b>245,752</b>	<b>244,419</b>	<b>243,087</b>	<b>241,755</b>	<b>240,423</b>	<b>239,091</b>	<b>237,759</b>	<b>236,427</b>	<b>235,094</b>

TRADE SEC

2,909,055

Authorized Cap Structure per EL14-058

	Capital Structure	Weighted Cost
Long Term Debt	[TRADE SECRET BEGINS	
Short Term Debt		
Preferred Stock		
Common Equity		
Required Rate of Return		7.2200%
Tax Rate (SD)		35.0000%
SD Jurisdictional Factor		5.4214%

TRADE SECRET ENDS]

Current Tax Calculation

Equity Return (Item H)	[TRADE SECRET BEGINS													
Book Depreciation (Item J)		3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454	3,124,454
Deferred Taxes (Item K)		(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)	(149,732)
Less Tax Depreciation (Item F)		(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)	(2,503,368)
Plus CPI-Tax Interest (If Applicable)		0	0	0	0	0	0	0	0	0	0	0	0	0
Sum		2,300,249	2,287,854	2,275,460	2,263,065	2,250,670	2,238,276	2,225,881	2,213,486	2,201,092	2,188,697	2,176,302	2,163,908	
Tax Rate (T/(1-T))		53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%
Tax Calc (Sum * Tax Rate)		1,238,596	1,231,922	1,225,248	1,218,573	1,211,899	1,205,225	1,198,551	1,191,877	1,185,203	1,178,529	1,171,855	1,165,181	

TRADE SEC

CAA = Capital Asset Accounting