

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Bowdle Substation & Lines
Projected 2019

	Projected												Average Balance
	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	
Rate Base													
Plant Balance 1/					\$326,489	\$326,489	\$326,489	\$326,489	\$326,489	\$326,489	\$326,489	\$326,489	\$326,489
Accumulated Depreciation						440	880	1,320	1,760	2,200	2,640	3,080	
Net Plant in Service	\$0	\$0	\$0	\$0	\$326,489	\$326,049	\$325,609	\$325,169	\$324,729	\$324,289	\$323,849	\$323,409	\$216,633
Accum Def Income Taxes 3/	\$147	\$282	\$403	\$511	\$605	\$686	\$754	\$808	\$849	\$876	\$890	\$890	
Total Rate Base	(\$147)	(\$282)	(\$403)	(\$511)	\$325,884	\$325,363	\$324,855	\$324,361	\$323,880	\$323,413	\$322,959	\$322,519	\$215,991
Return on Rate Base 5/	(\$1)	(\$2)	(\$2)	(\$3)	\$1,960	\$1,957	\$1,953	\$1,950	\$1,948	\$1,945	\$1,942	\$1,939	\$15,586
Expenses													Year End
Depreciation 2/						\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$3,080
Taxes Other Than Income 4/	112	112	112	112	112	112	112	112	112	112	112	107	1,339
Total Expenses	\$112	\$112	\$112	\$112	\$112	\$552	\$552	\$552	\$552	\$552	\$552	\$547	\$4,419
Income before Taxes	(\$112)	(\$112)	(\$112)	(\$112)	(\$112)	(\$552)	(\$552)	(\$552)	(\$552)	(\$552)	(\$552)	(\$547)	(\$4,419)
Interest Expense	0	(1)	(1)	(1)	700	699	698	697	696	695	694	693	5,569
Taxable income	(\$112)	(\$111)	(\$111)	(\$111)	(\$812)	(\$1,251)	(\$1,250)	(\$1,249)	(\$1,248)	(\$1,247)	(\$1,246)	(\$1,240)	(\$9,988)
Income Taxes 6/	(\$24)	(\$23)	(\$23)	(\$23)	(\$171)	(\$263)	(\$263)	(\$262)	(\$262)	(\$262)	(\$262)	(\$260)	(\$2,098)
Operating Income	(\$88)	(\$89)	(\$89)	(\$89)	\$59	(\$289)	(\$289)	(\$290)	(\$290)	(\$290)	(\$290)	(\$287)	(\$2,321)
Increase in Operating Income Required	\$87	\$87	\$87	\$86	\$1,901	\$2,246	\$2,242	\$2,240	\$2,238	\$2,235	\$2,232	\$2,226	\$17,907
Gross Revenue Conversion Factor 6/	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582
Revenue Increase	\$110	\$110	\$110	\$109	\$2,406	\$2,843	\$2,838	\$2,835	\$2,833	\$2,829	\$2,825	\$2,818	\$22,666
Gross Receipts Tax 7/	0	0	0	0	4	4	4	4	4	4	4	4	32
Required Revenue Increase	\$110	\$110	\$110	\$109	\$2,410	\$2,847	\$2,842	\$2,839	\$2,837	\$2,833	\$2,829	\$2,822	\$22,698

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South Dakota Factor #15: 5.292291%

1/ Plant in Service, estimated in service date May 2019:
 Substation: \$5,693,737
 Lines: 475,397
 Total: \$6,169,134
 SD Factor #15: 5.292291%
 \$326,489

2/ Depreciation: (Depreciation booked on prior month plant balance, starts booking in June)

	Substation		Lines
Plant (SD Alloc.):	\$301,329	Plant (SD Alloc.):	\$25,159
Depreciation Rate:	1.58%	Depreciation Rate:	2.03%
Annual Depreciation:	<u>\$4,761</u>	Annual Depreciation:	<u>\$511</u>
Monthly:	\$397	Monthly:	\$43

3/ Deferred income tax, based on Half Year Convention, 20-year asset.

2019 year end plant balance: 326,489
 Tax Depreciation Rate: 3.75%
 Tax Depreciation: 12,243
 Book Depreciation: 3,080
 Remainder: 9,163
 Income Tax Rate: 21.00%
 Deferred Income Tax: 1,924
 Monthly: 160

Proration of Monthly DIT:

January	February	March	April	May	June			
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%			
147	135	121	108	94	81			
July	August	September	October	November	December	Total		
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%			
68	54	41	27	14	0	890		

4/ Property Tax:

Year End Plant Balance: 326,489
 South Dakota Effective Rate 0.41% (Ad Valorem - Transmission)
 Annual Property Tax: 1,339
 Monthly: 112

5/ Authorized ROR per Docket No. EL15-024. 7.216%

6/ Tax Rate 21.0000% (Federal Tax Rate = 21%, SD State Tax Rate = 0%)
 1- tax rate 79.0000%
 Gross Revenue Conversion Factor 1.26582

7/ Gross Receipts tax - 2019 0.0015

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Leola Substation
Projected 2019**

	Projected												Average Balance
	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	
Rate Base													
Plant Balance 1/								\$115,870	\$115,870	\$115,870	\$115,870	\$115,870	
Accumulated Depreciation									153	306	459	612	
Net Plant in Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,870	\$115,717	\$115,564	\$115,411	\$115,258	\$48,152
Accum Def Income Taxes 3/	\$60	\$115	\$164	\$208	\$246	\$279	\$306	\$328	\$345	\$356	\$362	\$362	
Total Rate Base	(\$60)	(\$115)	(\$164)	(\$208)	(\$246)	(\$279)	(\$306)	\$115,542	\$115,372	\$115,208	\$115,049	\$114,896	\$47,891
Return on Rate Base 5/	\$0	(\$1)	(\$1)	(\$1)	(\$1)	(\$2)	(\$2)	\$695	\$694	\$693	\$692	\$691	\$3,457
Expenses													Year End
Depreciation 2/									\$153	\$153	\$153	\$153	\$612
Taxes Other Than Income 4/	40	40	40	40	40	40	40	40	40	40	40	35	475
Total Expenses	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$193	\$193	\$193	\$188	\$1,087
Income before Taxes	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$193)	(\$193)	(\$193)	(\$188)	(\$1,087)
Interest Expense	0	0	0	0	(1)	(1)	(1)	248	248	248	247	247	1,235
Taxable income	(\$40)	(\$40)	(\$40)	(\$40)	(\$39)	(\$39)	(\$39)	(\$288)	(\$441)	(\$441)	(\$440)	(\$435)	(\$2,322)
Income Taxes 6/	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$8)	(\$60)	(\$93)	(\$93)	(\$92)	(\$91)	(\$485)
Operating Income	(\$32)	(\$32)	(\$32)	(\$32)	(\$32)	(\$32)	(\$32)	\$20	(\$100)	(\$100)	(\$101)	(\$97)	(\$602)
Increase in Operating Income Required	\$32	\$31	\$31	\$31	\$31	\$30	\$30	\$675	\$794	\$793	\$793	\$788	\$4,059
Gross Revenue Conversion Factor 6/	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582
Revenue Increase	\$41	\$39	\$39	\$39	\$39	\$38	\$38	\$854	\$1,005	\$1,004	\$1,004	\$997	\$5,137
Gross Receipts Tax 7/	0	0	0	0	0	0	0	1	2	2	2	1	8
Required Revenue Increase	\$41	\$39	\$39	\$39	\$39	\$38	\$38	\$855	\$1,007	\$1,006	\$1,006	\$998	\$5,145

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Leola Substation
Projected 2019**

South Dakota Factor #15: 5.292291%

1/ Plant in Service, estimated in service date August 2019:

Substation:	\$2,160,427
Node:	<u>28,977</u>
Total:	\$2,189,404
SD Factor #15:	<u>5.292291%</u>
	\$115,870

2/ Depreciation: (Depreciation booked on prior month plant balance, starts booking in September)

Plant (SD Alloc.):	\$115,870
Depreciation Rate:	<u>1.58%</u>
Annual Depreciation:	\$1,831
Monthly:	\$153

3/ Deferred income tax, based on Half Year Convention, 20-year asset.

2019 year end plant balance:	115,870
Tax Depreciation Rate:	<u>3.75%</u>
Tax Depreciation:	4,345
Book Depreciation:	<u>612</u>
Remainder:	3,733
Income Tax Rate:	<u>21.00%</u>
Deferred Income Tax:	784
Monthly:	65

Proration of Monthly DIT:

January	February	March	April	May	June		
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%		
60	55	49	44	38	33		
July	August	September	October	November	December	Total	
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%		
27	22	17	11	6	0	362	

4/ Property Tax:

Year End Plant Balance:	115,870
South Dakota Effective Rate	<u>0.41%</u> (Ad Valorem - Transmission)
Annual Property Tax:	475
Monthly:	40

5/ Authorized ROR per Docket No. EL15-024. 7.216%

6/ Tax Rate	21.0000% (Federal Tax Rate = 21%, SD State Tax Rate = 0%)
1- tax rate	79.0000%
Gross Revenue Conversion Factor	1.26582

7/ Gross Receipts tax - 2019	0.0015
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**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Leola Lines
Projected 2019**

	Projected												Average Balance
	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	
Rate Base													
Plant Balance 1/								\$633,403	\$633,403	\$633,403	\$633,403	\$633,403	
Accumulated Depreciation									1,072	2,144	3,216	4,288	
Net Plant in Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633,403	\$632,331	\$631,259	\$630,187	\$629,115	\$263,025
Accum Def Income Taxes 3/	\$313	\$600	\$858	\$1,088	\$1,289	\$1,462	\$1,606	\$1,721	\$1,808	\$1,866	\$1,896	\$1,897	
Total Rate Base	(\$313)	(\$600)	(\$858)	(\$1,088)	(\$1,289)	(\$1,462)	(\$1,606)	\$631,682	\$630,523	\$629,393	\$628,291	\$627,218	\$261,658
Return on Rate Base 5/	(\$2)	(\$4)	(\$5)	(\$7)	(\$8)	(\$9)	(\$10)	\$3,799	\$3,792	\$3,785	\$3,778	\$3,772	\$18,881
Expenses													<u>Year End</u>
Depreciation 2/									\$1,072	\$1,072	\$1,072	\$1,072	\$4,288
Taxes Other Than Income 4/	216	216	216	216	216	216	216	216	216	216	216	221	2,597
Total Expenses	\$216	\$216	\$216	\$216	\$216	\$216	\$216	\$216	\$1,288	\$1,288	\$1,288	\$1,293	\$6,885
Income before Taxes	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)	(\$1,288)	(\$1,288)	(\$1,288)	(\$1,293)	(\$6,885)
Interest Expense	(1)	(1)	(2)	(2)	(3)	(3)	(3)	1,358	1,355	1,353	1,350	1,348	6,749
Taxable income	(\$215)	(\$215)	(\$214)	(\$214)	(\$213)	(\$213)	(\$213)	(\$1,574)	(\$2,643)	(\$2,641)	(\$2,638)	(\$2,641)	(\$13,634)
Income Taxes 6/	(\$45)	(\$45)	(\$45)	(\$45)	(\$45)	(\$45)	(\$45)	(\$331)	(\$555)	(\$555)	(\$554)	(\$555)	(\$2,865)
Operating Income	(\$171)	(\$171)	(\$171)	(\$171)	(\$171)	(\$171)	(\$171)	\$115	(\$733)	(\$733)	(\$734)	(\$738)	(\$4,020)
Increase in Operating Income Required	\$169	\$167	\$166	\$164	\$163	\$162	\$161	\$3,684	\$4,525	\$4,518	\$4,512	\$4,510	\$22,901
Gross Revenue Conversion Factor 6/	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582
Revenue Increase	\$214	\$211	\$210	\$208	\$206	\$205	\$204	\$4,663	\$5,728	\$5,719	\$5,711	\$5,709	\$28,988
Gross Receipts Tax 7/	0	0	0	0	0	0	0	7	9	9	9	9	43
Required Revenue Increase	\$214	\$211	\$210	\$208	\$206	\$205	\$204	\$4,670	\$5,737	\$5,728	\$5,720	\$5,718	\$29,031

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Leola Lines
Projected 2019**

South Dakota Factor #15: 5.292291%

1/ Plant in Service, estimated in service date August 2019:

Lines	11,968,410
SD Factor #15:	<u>5.292291%</u>
	\$633,403

2/ Depreciation: (Depreciation booked on prior month plant balance, starts booking in September)

Plant (SD Alloc.):	\$633,403
Depreciation Rate:	<u>2.03%</u>
Annual Depreciation:	\$12,858
Monthly:	\$1,072

3/ Deferred income tax, based on Half Year Convention, 20-year asset.

2019 year end plant balance:	633,403
Tax Depreciation Rate:	<u>3.75%</u>
Tax Depreciation:	23,753
Book Depreciation:	<u>4,288</u>
Remainder:	19,465
Income Tax Rate:	<u>21.00%</u>
Deferred Income Tax:	4,088
Monthly:	341

Proration of Monthly DIT:

January	February	March	April	May	June	
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	
313	287	258	230	201	173	
July	August	September	October	November	December	Total
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%	
144	115	87	58	30	1	1,897

4/ Property Tax:

Year End Plant Balance:	633,403
South Dakota Effective Rate	<u>0.41%</u> (Ad Valorem - Transmission)
Annual Property Tax:	2,597
Monthly:	216

5/ Authorized ROR per Docket No. EL15-024. 7.216%

6/ Tax Rate	21.0000% (Federal Tax Rate = 21%, SD State Tax Rate = 0%)
1- tax rate	79.0000%
Gross Revenue Conversion Factor	1.26582

7/ Gross Receipts tax - 2019	0.0015
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