

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
Projected 2021**

	Projected												Average Balance
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	
Rate Base													
Plant Balance													
Thunder Spirit	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902	\$10,271,902
Thunder Spirit Expansion	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088	4,198,088
Bowdle Substation / Lines	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925	2,943,925
Sidney Transmission Line	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068	44,068
Mandan Substation 8/	0	0	0	0	0	0	63,275	63,275	431,487	431,487	431,487	431,487	431,487
Lewis & Clark Substation 10/	0	0	0	0	0	0	0	110,292	110,292	110,292	110,292	110,292	110,292
Total Plant Balance	\$17,457,983	\$17,457,983	\$17,457,983	\$17,457,983	\$17,457,983	\$17,457,983	\$17,521,258	\$17,631,550	\$17,999,762	\$17,999,762	\$17,999,762	\$17,999,762	\$17,658,313
Accumulated Depreciation													
Thunder Spirit	\$1,795,358	\$1,828,804	\$1,862,250	\$1,895,696	\$1,929,142	\$1,962,588	\$1,996,034	\$2,029,480	\$2,062,926	\$2,096,372	\$2,129,818	\$2,163,264	\$2,163,264
Thunder Spirit Expansion	377,158	391,152	405,146	419,140	433,134	447,128	461,122	475,116	489,110	503,104	517,098	531,092	531,092
Bowdle Substation / Lines	78,791	82,753	86,715	90,678	94,640	98,602	102,564	106,527	110,489	114,451	118,413	122,376	122,376
Sidney Transmission Line	371	426	482	537	593	648	704	759	815	870	926	981	981
Mandan Substation	0	0	0	0	0	0	0	107	214	822	1,431	2,039	2,039
Lewis & Clark Substation	0	0	0	0	0	0	0	0	146	291	437	582	582
Total Accumulated Reserve	\$2,251,678	\$2,303,135	\$2,354,593	\$2,406,051	\$2,457,509	\$2,508,967	\$2,560,424	\$2,611,989	\$2,663,700	\$2,715,911	\$2,768,123	\$2,820,334	\$2,535,201
Net Plant in Service	\$15,206,305	\$15,154,848	\$15,103,390	\$15,051,932	\$15,000,474	\$14,949,016	\$14,960,834	\$15,019,561	\$15,336,062	\$15,283,851	\$15,231,639	\$15,179,428	\$15,123,112
Accum Def Income Taxes - Thunder Spirit 1/	\$3,178,384	\$3,174,895	\$3,171,758	\$3,168,962	\$3,166,519	\$3,164,417	\$3,162,667	\$3,161,269	\$3,160,212	\$3,159,507	\$3,159,143	\$3,159,132	\$3,159,132
Accum Def Income Taxes - Bowdle 1/	54,478	56,673	58,647	60,406	61,943	63,266	64,367	65,247	65,912	66,355	66,584	66,591	66,591
Accum Def Income Taxes - Sidney Line 1/	321	358	391	421	447	469	488	503	514	521	525	525	525
Accum Def Income Taxes - Mandan Sub 1/	228	437	625	792	938	1,064	1,169	1,253	1,316	1,358	1,380	1,381	1,381
Accum Def Income Taxes - Lewis & Clark Sub 1/	57	109	156	198	235	266	292	313	329	340	345	345	345
Investment Tax Credit 5/	58,240	65,959	73,678	81,397	89,116	96,835	104,554	112,273	119,992	127,711	135,430	143,149	143,149
Def. Tax on Invest. Tax Credit 5/	14,207	16,091	17,975	19,859	21,743	23,627	25,511	27,395	29,279	31,163	33,047	34,931	34,931
Total Rate Base	\$11,928,804	\$11,872,508	\$11,816,110	\$11,759,615	\$11,703,019	\$11,646,326	\$11,652,808	\$11,706,098	\$12,017,066	\$11,959,222	\$11,901,279	\$11,843,236	\$11,817,174
Return on Rate Base 2/	\$71,732	\$71,393	\$71,054	\$70,714	\$70,374	\$70,033	\$70,072	\$70,393	\$72,263	\$71,915	\$71,566	\$71,217	\$852,726
Expenses													
Operating Expenses													
O&M 3/	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	\$48,537
Insurance - Property	857	857	857	857	857	857	857	857	857	857	857	857	853
Depreciation - Thunder Spirit	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446	33,446
Depreciation - Thunder Spirit Expansion	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994	13,994
Depreciation - Bowdle Substation / Lines	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962
Depreciation - Sidney Transmission Line	56	56	56	56	56	56	56	56	56	56	56	56	56
Depreciation - Mandan Substation 9/	0	0	0	0	0	0	0	107	107	608	608	608	608
Depreciation - Lewis & Clark Substation 11/	0	0	0	0	0	0	0	0	146	146	146	146	146
Payroll Taxes	41	41	41	41	41	41	41	41	41	41	41	41	35
Taxes Other Than Income 4/	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,466	3,469
Total Expenses	\$70,672	\$70,672	\$70,672	\$70,672	\$70,672	\$70,672	\$70,672	\$70,779	\$70,925	\$71,426	\$71,426	\$105,106	\$884,363
Income before Taxes	(\$70,672)	(\$70,672)	(\$70,672)	(\$70,672)	(\$70,672)	(\$70,672)	(\$70,672)	(\$70,779)	(\$70,925)	(\$71,426)	(\$71,426)	(\$105,106)	
Interest Expense	25,637	25,516	25,395	25,273	25,152	25,030	25,044	25,158	25,827	25,702	25,578	25,453	304,765
AFUDC Equity Add Back	751	751	751	751	751	751	751	751	751	751	751	755	9,016
Taxable income	(\$95,558)	(\$95,437)	(\$95,316)	(\$95,194)	(\$95,073)	(\$94,951)	(\$94,965)	(\$95,186)	(\$96,001)	(\$96,377)	(\$96,253)	(\$129,804)	(\$1,180,112)
Income Taxes 6/	(\$20,067)	(\$20,042)	(\$20,016)	(\$19,991)	(\$19,965)	(\$19,940)	(\$19,943)	(\$19,989)	(\$20,160)	(\$20,239)	(\$20,213)	(\$27,259)	(\$247,824)
Less: Production Tax Credit 7/	84,728	55,150	60,723	50,174	58,826	52,097	52,294	41,477	51,345	81,416	68,920	89,026	746,176
Net Income Taxes	(\$104,795)	(\$75,192)	(\$80,739)	(\$70,165)	(\$78,791)	(\$72,037)	(\$72,237)	(\$61,466)	(\$71,505)	(\$101,655)	(\$89,133)	(\$116,285)	(\$994,000)
Operating Income	\$34,123	\$4,520	\$10,067	(\$507)	\$8,119	\$1,365	\$1,565	(\$9,313)	\$580	\$30,229	\$17,707	\$11,179	\$109,637
Increase in Operating Income Required	\$37,609	\$66,873	\$60,987	\$71,221	\$62,255	\$68,668	\$68,507	\$79,706	\$71,683	\$41,686	\$53,859	\$60,038	\$743,089
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	\$47,606	\$84,649	\$77,198	\$90,153	\$78,803	\$86,921	\$86,717	\$100,893	\$90,737	\$52,767	\$68,175	\$75,997	\$940,616
Gross Receipts Tax (.0015)	71	127	116	135	118	130	130	151	136	79	102	114	1,409
Total Revenue Requirement	\$47,677	\$84,776	\$77,314	\$90,288	\$78,921	\$87,051	\$86,847	\$101,044	\$90,873	\$52,846	\$68,277	\$76,111	\$942,025

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
Projected 2021**

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity. Monthly activity prorated based on DIT proration methodology.

	<u>Thunder Spirit</u>		<u>Thunder Spirit</u>		<u>Bowdle</u>		<u>Sidney Line</u>		<u>Mandan Sub</u>
DIT Balance - 12/31/2020:	63,763,488	DIT Balance - 12/31/2020:	63,763,488	DIT activity 2021:	581,905	DIT activity 2020:	9,773	DIT activity 2020:	55,182
Factor #271 SD - 2021:	4.990617%	DIT Balance - 12/31/2021:	62,766,054	SD Factor. #15:	5.382147%	SD Factor. #15:	5.382147%	SD Factor. #15:	5.382147%
January 1, 2021 Opening DIT Balance:	3,182,191	DIT activity 2021:	(997,434)	SD projected activity:	31,319	SD projected activity:	526	SD projected activity:	2,970
		SD Factor. #271:	4.990617%	Monthly:	2,610	Monthly:	44	Monthly:	248
		SD projected activity:	(49,778)						
		Monthly:	(4,148)						
								<u>L&C Sub</u>	
								DIT activity 2020:	13,861
								SD Factor. #15:	5.382147%
								SD projected activity:	746
								Monthly:	62

	January	February	March	April	May	June	July	August	September	October	November	December
Thunder Spirit:	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Bowdle:	(3,807)	(3,489)	(3,137)	(2,796)	(2,443)	(2,102)	(1,750)	(1,398)	(1,057)	(705)	(364)	(11)
Richland:	2,395	2,195	1,974	1,759	1,537	1,323	1,101	880	665	443	229	7
Mandan:	40	37	33	30	26	22	19	15	11	7	4	0
Lewis and Clark:	228	209	188	167	146	126	105	84	63	42	22	1
	57	52	47	42	37	31	26	21	16	11	5	0

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

3/ Projected O&M:

Budgeted O&M Labor:	95,839
Budgeted O&M Maintenance:	3,448,574
Budgeted O&M Other Costs:	26,245
	<u>3,570,658</u>
SD Factor #271:	4.990617%
Budgeted SD O&M:	178,198
Monthly Budgeted O&M:	14,850
Budgeted Annual Easement:	675,000
SD Factor #271:	4.990617%
Budgeted SD O&M:	33,687

Added to December monthly balance

4/ Taxes Other Than Income:

Rated Capacity:	155,500	2020 Generation:	600,626,000
Capacity Tax Rate:	2.5	Generation Tax Rate:	0.0005
Capacity Tax:	388,750	Generation Tax:	300,313
Capacity and Generation Tax:	689,063		
Thunder Spirit Est. Property Taxes:	7,758		
Total:	696,821		
SD Factor. #271:	4.990617%		
South Dakota:	34,776		
Monthly:	2,898		
Estimated 2021 Property Tax:	126,693		
SD Fac. #15:	5.382147%		
Estimated SD Property Tax:	6,819		
Monthly:	568		

5/ Investment tax credit: Thunder Spirit

	<u>Investment Tax Credit</u>		<u>Deferred Tax</u>
Estimated 2021 Activity:	1,856,083	Estimated 2021 Activity:	452,979
SD Factor #271:	4.990617%	SD Factor #271:	4.990617%
SD projected activity:	92,630	SD projected activity:	22,606
Monthly:	7,719	Monthly:	1,884

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

7/ Production Tax Credit.

	January	February	March	April	May	June	July	August	September	October	November	December
Thunder Spirit:	67,910,000	44,203,000	48,670,000	40,215,000	47,149,000	41,756,000	41,914,000	33,244,000	41,153,000	65,255,000	55,240,000	71,355,000
Projected PTC (rate \$.025/Kwh):	1,697,750	1,105,075	1,216,750	1,005,375	1,178,725	1,043,900	1,047,850	831,100	1,028,825	1,631,375	1,381,000	1,783,875
Projected SD PTC (Factor #271):	84,728	55,150	60,723	50,174	58,826	52,097	52,294	41,477	51,345	81,416	68,920	89,026

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Mandan Substation Breakers/Bays and Lines
Projected 2021**

South Dakota Factor #15: 5.382147%

8/ Phase 1 Plant in Service, estimated in service date July 2021:

Relocate 230kV Line:	1,175,638
SD Demand Allocation (15):	<u>5.382147%</u>
Total:	63,275

Phase 2 Plant in Service, estimated in service date September 2021:

Replace Fence:	\$811,321
Mandan Substation:	5,251,166
SD Demand Allocation (15):	<u>5.382147%</u>
Total:	326,292

Relocate 230kV Line:	\$778,885
SD Demand Allocation (15):	<u>5.382147%</u>
Total:	41,921

Grand Total - Plant Additions: \$431,488

9/ Phase 1 Depreciation: (Depreciation booked on prior month plant balance, starts booking in August)

Plant (SD Alloc.):	\$63,275
Depreciation Rate:	<u>2.03%</u>
Annual Depreciation:	\$1,284
Monthly:	\$107

Phase 2 Depreciation: (Depreciation booked on prior month plant balance, starts booking in October)

Plant (SD Alloc.):	\$326,292
Depreciation Rate:	<u>1.58%</u>
Annual Depreciation:	\$5,155
Monthly:	\$430

Plant (SD Alloc.):	\$41,921
Depreciation Rate:	<u>2.03%</u>
Annual Depreciation:	\$851
Monthly:	\$71

Grand Total - Monthly Depreciation: \$608

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Lewis & Clark New Control House Substation
Projected 2021**

South Dakota Factor #15: 5.382147%

10/ Plant in Service, estimated in service date August 2021:

Substation:	2,049,215
SD Demand Allocation (15):	<u>5.382147%</u>
Total:	110,292

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

Plant (SD Alloc.):	\$110,292
Depreciation Rate:	<u>1.58%</u>
Annual Depreciation:	\$1,743
Monthly:	\$145