

(In Thousands of Dollars)

Estimated 2018 Tax Reform Impacts - Total SD

	Old Law	New Law
Federal Tax Rate	35.0000%	21.0000%
State Tax Rate	0.0000%	0.0000%
Apportionment	1.0000	1.0000
State Tax Rate- Apportioned	0.0000%	0.0000%
Federal Tax Offset	0.0000%	0.0000%
State Tax Rate Net of Federal Offset	0.0000%	0.0000%
Federal & State Combined Tax Rate	35.0000%	21.0000%

Tax Provision Calculations	Old Law Fed	Old Law State	Old Law 2018	New Law Fed	New Law State	New Law 2018	Tax Reform Revenue Impact
Net Income/(Loss) before Income Tax	26,871	26,871	26,871	26,871	26,871	26,871	
Flow-Through Tax Adjustment Items Component							
Tax Repair Deductions	(14,510)	-		(14,510)	-		
Removal Costs Net of Salvage	(4,651)	-		(4,651)	-		
Meter Costs Deductions	(8,659)	-		(8,659)	-		
Accelerated Tax Depreciation	(1,988)	-		(1,988)	-		
Misc	180	-		180	-		
State Tax	-	-		-	-		
Total Flow-Through Tax Items	(29,628)	-		(29,628)	-		
Book Taxable Income	(2,757)	26,871		(2,757)	26,871		
Tax Rate	35.00%	0.0000%		21.00%	0.0000%		<----Tax Reform reduction in federal income tax rate.
Income Tax before Credits	(965)	-		(579)	-		386
Flow-Through Tax Credit Items Component							
Production Tax Credits	(7,542)	-		(7,542)	-		
Investment Tax Credit Amortization	(28)	-		(28)	-		
Excess Deferred Tax ARAM Amortization	-	-		(1,060)	-		(1,060)
Miscellaneous	-	-		-	-		
Total Flow-Through Tax Credit Items	(7,570)	-		(8,630)	-		
Total Book Tax Expense	(8,535)	-	(8,535)	(9,209)	-	(9,209)	(674) 1.267724 (854)
Net Income/(Loss)			35,406			36,080	Tax Reform Revenue Reduction

	After Tax Reform Rate Revenue Adjmt		
	New Law Fed	New Law State	New Law 2018
Net Income/(Loss) before Income Tax-Old Law	26,871	26,871	26,871
Tax Reform Revenue Adjustment	(854)	(854)	(854)
Net Income/(Loss) before Income Tax-New Law	26,017	26,017	26,017
Perm/FT Tax (Deductions)/Addbacks	(29,628)	-	
State Tax	-	-	
Book Taxable Income	(3,611)	26,017	
Tax Rate	21.00%	0.00%	
Income Tax before Credits	(759)	-	
Tax Credits, etc.	(8,630)	-	
Total Book Tax Expense	(9,389)	-	(9,389)
Net Income/(Loss) - New Law			35,406
Net Income/(Loss) - Old Law			35,406
Variance			-

<---Proof all Tax Reform Benefits given to customers.

(In Thousands of Dollars)

Estimated 2018 Tax Reform Impacts - SD Elec

	Old Law	New Law
Federal Tax Rate	35.0000%	21.0000%
State Tax Rate	0.0000%	0.0000%
Apportionment	1.0000	1.0000
State Tax Rate- Apportioned	0.0000%	0.0000%
Federal Tax Offset	0.0000%	0.0000%
State Tax Rate Net of Federal Offset	0.0000%	0.0000%
Federal & State Combined Tax Rate	35.0000%	21.0000%

Tax Provision Calculations	Old Law Fed	Old Law State	Old Law 2018	New Law Fed	New Law State	New Law 2018	Tax Reform Revenue Impact
Net Income/(Loss) before Income Tax	20,594	20,594	20,594	20,594	20,594	20,594	
Flow-Through Tax Adjustment Items Component							
Tax Repair Deductions	(13,664)	-		(13,664)	-		
Removal Costs Net of Salvage	(3,362)	-		(3,362)	-		
Meter Costs Deductions	(6,260)	-		(6,260)	-		
Accelerated Tax Depreciation	(1,437)	-		(1,437)	-		
Misc	130	-		130	-		
State Tax	-	-		-	-		
Total Flow-Through Tax Items	(24,593)	-		(24,593)	-		
Book Taxable Income	(3,999)	20,594		(3,999)	20,594		
Tax Rate	35.00%	0.0000%		21.00%	0.0000%		<----Tax Reform reduction in federal income tax rate.
Income Tax before Credits	(1,400)	-		(840)	-		560
Flow-Through Tax Credit Items Component							
Production Tax Credits	(7,542)	-		(7,542)	-		
Investment Tax Credit Amortization	(20)	-		(20)	-		
Excess Deferred Tax ARAM Amortization	-	-		(936)	-		(936)
Miscellaneous	-	-		-	-		
Total Flow-Through Tax Credit Items	(7,562)	-		(8,498)	-		
Total Book Tax Expense	(8,962)	-	(8,962)	(9,338)	-	(9,338)	(376) 1.267724 (476)
							Tax Reform Revenue Reduction
Net Income/(Loss)			29,556			29,932	

	After Tax Reform Rate Revenue Adjmt		
	New Law Fed	New Law State	New Law 2018
Net Income/(Loss) before Income Tax-Old Law	20,594	20,594	20,594
Tax Reform Revenue Adjustment	(476)	(476)	(476)
Net Income/(Loss) before Income Tax-New Law	20,118	20,118	20,118
Perm/FT Tax (Deductions)/Addbacks	(24,593)	-	
State Tax	-	-	
Book Taxable Income	(4,475)	20,118	
Tax Rate	21.00%	0.00%	
Income Tax before Credits	(940)	-	
Tax Credits, etc.	(8,498)	-	
Total Book Tax Expense	(9,438)	-	(9,438)
Net Income/(Loss) - New Law			29,556
Net Income/(Loss) - Old Law			29,556
Variance			-

<---Proof all Tax Reform Benefits given to customers.

(In Thousands of Dollars)

Estimated 2018 Tax Reform Impacts - SD Gas

	Old Law	New Law
Federal Tax Rate	35.0000%	21.0000%
State Tax Rate	0.0000%	0.0000%
Apportionment	1.0000	1.0000
State Tax Rate- Apportioned	0.0000%	0.0000%
Federal Tax Offset	0.0000%	0.0000%
State Tax Rate Net of Federal Offset	0.0000%	0.0000%
Federal & State Combined Tax Rate	35.0000%	21.0000%

Tax Provision Calculations	Old Law Fed	Old Law State	Old Law 2018	New Law Fed	New Law State	New Law 2018	Tax Reform Revenue Impact
Net Income/(Loss) before Income Tax	6,277	6,277	6,277	6,277	6,277	6,277	
Flow-Through Tax Adjustment Items Component							
Tax Repair Deductions	(846)	-		(846)	-		
Removal Costs Net of Salvage	(1,289)	-		(1,289)	-		
Meter Costs Deductions	(2,399)	-		(2,399)	-		
Accelerated Tax Depreciation	(551)	-		(551)	-		
Misc	50	-		50	-		
State Tax	-	-		-	-		
Total Flow-Through Tax Items	(5,035)	-		(5,035)	-		
Book Taxable Income	1,242	6,277		1,242	6,277		
Tax Rate	35.00%	0.0000%		21.00%	0.0000%		<----Tax Reform reduction in federal income tax rate.
Income Tax before Credits	435	-		261	-		(174)
Flow-Through Tax Credit Items Component							
Production Tax Credits	-	-		-	-		
Investment Tax Credit Amortization	(8)	-		(8)	-		
Excess Deferred Tax ARAM Amortization	-	-		(124)	-		(124)
Miscellaneous	-	-		-	-		
Total Flow-Through Tax Credit Items	(8)	-		(132)	-		
Total Book Tax Expense	427	-	427	129	-	129	(298) 1.267724 (378)
Net Income/(Loss)			5,850			6,148	Tax Reform Revenue Reduction

	After Tax Reform Rate Revenue Adjmt		
	New Law Fed	New Law State	New Law 2018
Net Income/(Loss) before Income Tax-Old Law	6,277	6,277	6,277
Tax Reform Revenue Adjustment	(378)	(378)	(378)
Net Income/(Loss) before Income Tax-New Law	5,899	5,899	5,899
Perm/FT Tax (Deductions)/Addbacks	(5,035)	-	
State Tax	-	-	
Book Taxable Income	864	5,899	
Tax Rate	21.00%	0.00%	
Income Tax before Credits	181	-	
Tax Credits, etc.	(132)	-	
Total Book Tax Expense	49	-	49
Net Income/(Loss) - New Law			5,850
Net Income/(Loss) - Old Law			5,850
Variance			-

<----Tax Reform Reduction to Revenue.

<---Proof all Tax Reform Benefits given to customers.