Montana-Dakota Utilities Co.
Docket NG12-008
SD Gas Operating Income Statement w/ Known and Measurable Adjustments and Revenue Adjustment
Adjusted Test Year Ending June 30, 2012

Exhibit___(BAM-1)
Schedule 2
Page 1 of 1

Line No.	Description	South Dakota Per Books	Total Staff Adjustments	Adjusted Test Year	Revenue Adjustment	Adjusted Test Year with Revenue Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	OPERATING REVENUES:					
2	Sales	$ 42,854,043	$ 2,493,947	$ 45,347,990	$ (1,393,261)	$ 43,954,729
3	Transportation	352,924	(45,352)	307,572		307,572
4	Other Revenues (488, 493, 495)	376,797	(88,219)	288,578		288,578
5	**TOTAL OPERATING REVENUES**	**43,583,764**	**2,360,375**	**45,944,139**	**(1,393,261)**	**44,550,878**
6	OPERATING EXPENSES:					
7	Operation and Maintenance:					
8	Production	137,775	(143,189)	(5,414)		(5,414)
9	Cost of Gas	28,093,760	1,671,079	29,764,839		29,764,839
10	Other Gas Supply	52,946	(435)	52,511		52,511
11	Distribution	3,393,082	(100,364)	3,292,718		3,292,718
12	Customer Accounting	1,303,898	(17,498)	1,286,400		1,286,400
13	Customer Service & Information	122,209	(7,951)	114,258		114,258
14	Sales	91,378	(14,481)	76,897		76,897
15	Administrative & General	3,190,539	(104,334)	3,086,205		3,086,205
16	Total Operation and Maintenance	36,385,587	1,282,827	37,668,414	-	37,668,414
17	Depreciation and Amortization	2,544,662	292,256	2,836,918		2,836,918
18	Taxes:					
19	Property Taxes	613,971	(29,996)	583,975		583,975
20	Payroll Taxes:	307,052	(5,265)	301,787		301,787
21	Gross Receipts Tax	79,615	-	79,615	(2,087)	77,528
22	Federal Income Taxes	(3,034,532)	1,219,472	(1,815,060)	(486,911)	(2,301,971)
23	Deferred Income Taxes	3,774,837	(842,245)	2,932,592		2,932,592
24	Other Taxes	15,828	-	15,828		15,828
25	Total Taxes	1,756,771	341,966	2,098,737	(488,998)	1,609,739
26	**TOTAL OPERATING EXPENSES**	**40,687,020**	**1,917,049**	**42,604,069**	**(488,998)**	**42,115,071**
27	**OPERATING INCOME**	**$ 2,896,744**	**$ 443,326**	**$ 3,340,070**	**$ (904,263)**	**$ 2,435,807**
28	Rate Base	31,712,518		$ 33,690,278		$ 33,690,278
29	Rate of Return	9.134%		9.914%		7.230%
30	Staff Proposed Rate of Return			7.230%		7.230%

SOURCES:

Line 5: Sum of lines 2 through 4	Column c: BAM-1, Schedule 3, column aa
Line 16: Sum of lines 7 through 15	Column d: Column b plus column c
Line 25: Sum of lines 19 through 224	Column d, line 28: BAM-2, Schedule 1, column d, line 34
Line 26: Sum of lines 16,17, and 25	Column e, line 2: BAM-1, Schedule 1, page 1, column b, line 10
Line 27: Line 5 less line 26	Column e, line 21: BAM-1, Schedule 1, page 1, column b, line 9
Line 29: Line 27 / line 28	Column e, line 22: BAM-1, Schedule 1, page 1, column b, line 8 less
Line 26: BLC-1, Schedule 1, line 4	BAM-1, Schedule 1, page 1, column b, line 6
Column b: BAM-1, Schedule 3, column b	Column f: Column d plus column e
Column b, line 28: BAM-2, Schedule 1, column b, line 34	Column f, line 28: BAM-2, Schedule 1, column d, line 34