

	Year One 9/1/18 - 8/31/19 (a)	Year Two 9/1/19 - 8/31/20 (b)	Year Three 9/1/20 - 8/31/21 (c)	Three-Year Levelized (d)
<b>OPERATING REVENUES:</b>				
1	Operating Revenues	2,193,844	2,193,844	2,193,844
2	<b>TOTAL OPERATING REVENUES</b>	2,193,844	2,193,844	2,193,844
<b>OPERATING EXPENSES:</b>				
Operation and Maintenance:				
3	Payroll	710,169	727,923	746,121
4	Office Rent	57,600	57,600	57,600
5	Lease for Valve Sites	2,100	2,100	2,100
6	Office Expense	31,153	31,932	32,730
7	Charitable Contributions	-	-	-
8	Employee Expenses	20,983	21,508	22,046
9	Utilities	24,817	25,437	26,073
10	Training	8,199	8,404	8,614
11	Truck Expenses	54,793	56,163	57,567
12	Professional Services	10,286	10,543	10,807
13	Operations Expense	92,298	94,605	96,970
14	Integrity Management	49,251	50,482	51,744
15	Public Awareness	8,154	8,358	8,567
16	Fixed Assets - Office	5,073	5,200	5,330
17	Fixed Assets - Operations	1,725	1,768	1,812
18	Fixed Assets - Truck	8,332	8,332	8,332
19	Board of Directors Fee	165,046	165,046	165,046
20	Employee Benefits	37,230	38,161	39,115
21	Company Insurance Expense	128,229	131,435	134,721
22	Miscellaneous Expense	154	158	162
23	Total Operation and Maintenance	1,415,592	1,445,155	1,475,457
24	Depreciation and Amortization	46,674	46,674	46,674
Taxes:				
25	Property Taxes	17,798	18,243	18,699
26	Payroll Taxes	52,347	53,656	54,997
27	SD Use Tax	1,821	1,867	1,914
28	Pipeline Safety Assessment	61,921	63,469	65,056
29	Gross Receipts Tax	3,060	3,060	3,060
30	Federal Income Taxes (21%)	123,573	116,734	109,724
31	Deferred Income Taxes	-	-	-
32	Other Taxes	-	-	-
33	Total Taxes	260,520	257,029	253,450
34	<b>TOTAL OPERATING EXPENSES</b>	1,722,786	1,748,858	1,775,581
35	<b>OPERATING INCOME</b>	471,058	444,986	418,263
36	Change in Operating Income	-1.43%	-5.53%	-6.01%

**SOURCES:**

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Line 23: Sum lines 3 through 22  
Line 33: Sum lines 25 through 32  
Line 34: Line 23 plus line 24 plus line 33  
Line 35: Line 2 less line 34

Columns a through d, lines 1, 2, 4, 5, 7, 18, 19, 24, and 29: PJS-1 Sch 3, col. ab  
Column a, lines 3 and 26: PJS-1 Sch 3, col. ab  
Column a, lines 6, 8-17, 21, 22, 25, 27, and 28: PJS-1 Sch 3, col. ab \* 1.0167 (8 mo. or 2/3 of 2.5% increase)  
Column a, line 20: PJS-1 Sch 3, col ab + 9,842 (dental and 401k plan cost) \* 1.67% (8 mo. or 2/3 of 2.5% increase)  
Column a, line 30: PJS-1 Sch 3, col ab \* (1 + col a, line 36)  
Column a, line 36: (col a, line 35 - PJS-1 Sch 3, col ab, line 39) / PJS-1 Sch 3, col ab, line 39

Column b, lines 3, 6, 8-17, 20-22, and 25-28: Col a \* 1.025  
Column b, line 30: Col a, line 30 \* (1 + col b, line 36)  
Column b, line 36: (col b, line 35 - col a, line 35) / col a, line 35

Column c, lines 3, 6, 8-17, 20-22, and 25-28: Col b \* 1.025  
Column c, line 30: Col b, line 30 \* (1 + col c, line 36)  
Column c, line 36: (col c, line 35 - col b, line 35) / col b, line 35

Column d: Discounted average of columns a through c