

**Section G**

**20:10:13:72. Statement G -- Rate of Return.** Statement G shall show the percentage rate of return claimed, with a brief statement of its basis. The statement shall show the cost of debt capital, preferred stock capital, and the return on the stockholder's equity resulting from the overall rate of return claimed, based upon the utility's capitalization. In addition, items required in §§ 20:10:13:73 to 20:10:13:79, inclusive, shall be submitted as part of statement G. If 50 percent or more of the common stock of the public utility is not held by the public but is owned by another corporation, the information required by §§ 20:10:13:73 to 20:10:13:75, inclusive, shall also be submitted to the extent applicable for the debt, preferred stock, and common stock of the parent company.

South Dakota Intrastate Pipeline Company

Pipeline Pro Forma Revenue Requirement

Twelve Months Ended December 31, 2016

## Cost of Capital

<b>Capital Structure</b>			
<b>Component</b>	<b>Capital Structure</b>	<b>Cost</b>	<b>Weighted Cost</b>
Debt	0.0%	0.00%	0.00%
Preferred	0.0%	0.00%	0.00%
Common Equity	<u>100%</u>	10.00%	<u>10.00%</u>
Total	<u>100.00%</u>		<u>10.00%</u>

<b>Tax Rates</b>	
	<u>Rate</u>
Federal + State	40.00%