

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 MATERIALS AND SUPPLIES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT C**

	<u>Per Books</u>	<u>Pro Forma 1/</u>
December 2021	\$1,181,528	\$1,048,913
January	1,091,877	954,744
February	853,000	1,029,411
March	980,200	980,200
April	1,040,754	1,040,754
May	1,067,980	1,067,980
June	1,066,693	1,066,693
July	1,137,521	1,137,521
August	1,239,198	1,239,198
September	1,263,196	1,263,196
October	1,339,677	1,339,677
November	1,042,316	1,042,316
December 2022	1,048,913	1,048,913
Thirteen month average		<u>\$1,096,886</u>
Pro Forma Adjustment		<u>\$47,973</u>

1/ Reflects actual balances through February 2023.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 PREPAID INSURANCE
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT D**

	<u>Per Books</u>	<u>Pro Forma 1/</u>
December 2021	\$43,544	\$41,836
January	351,834	364,060
February	327,088	335,846
March	297,030	301,579
April	264,003	267,312
May	230,975	233,045
June	215,780	198,778
July	181,195	164,511
August	143,500	130,244
September	109,586	95,977
October	75,749	61,714
November	36,126	72,506
December 2022	41,836	38,239
Thirteen month average		<u>\$177,357</u>
Pro Forma Adjustment		<u>\$135,521</u>

1/ Reflects actual balances through February 2023. Pro forma balances reflect pro forma insurance as shown in Workpaper Statement F, page 1.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 UNAMORTIZED GAIN(LOSS) ON DEBT
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT E**

	<u>Unamortized Loss on Debt</u>	<u>Acc. Deferred Inc. Tax</u>
Balance at December 31, 2021	\$78,523	(\$16,490)
Balance at December 31, 2022	64,736	(13,595)
Pro Forma Amortization 1/	<u>(12,908)</u>	<u>2,711</u>
Balance at December 31, 2023	\$51,828	(\$10,884)
Pro Forma Adjustment	<u><u>(\$12,908)</u></u>	<u><u>\$2,711</u></u>

1/ Reflects a reallocation of balance and current amortization.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
UNAMORTIZED REDEMPTION OF PREFERRED STOCK
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
ADJUSTMENT F**

	<u>Unamortized Loss on Debt</u>
Balance at December 31, 2021	\$14,350
Balance at December 31, 2022	13,093
Pro Forma Amortization 1/	<u>(1,257)</u>
Balance at December 31, 2023	\$11,836
Pro Forma Adjustment	<u><u>(\$1,257)</u></u>

1/ See Rule 20:10:13:86, Statement J, page 1. Amortized over fifteen years. Fully amortized in 2032.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 UNAMORTIZED RATE CASE EXPENSE
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT G**

	<u>Unamortized Rate Case Expense</u>	<u>Acc. Deferred Inc. Tax</u>
Balance at December 31, 2022	\$0	\$0
Pro Forma Balance at December 31, 2023 1/	<u>612,533</u>	<u>(128,632)</u>
Pro Forma Adjustment	<u><u>\$612,533</u></u>	<u><u>(\$128,632)</u></u>

1/ Proposed five year amortization.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 PROVISION FOR PENSIONS AND BENEFITS
 ACCUMULATED DEFERRED INCOME TAXES ON PENSIONS
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT H**

	<u>Total</u>	<u>Provision for Pension</u>	<u>DIT on Pension</u>
Balance at December 31, 2021	\$0	\$0	\$0
Balance at December 31, 2022	<u>0</u>	<u>0</u>	<u>0</u>
Balance at December 31, 2023 1/	\$7,037,305	\$8,786,099	(\$1,748,794)
Pro Forma Adjustment	<u>\$7,037,305</u>	<u>\$8,786,099</u>	<u>(\$1,748,794)</u>

1/ Provision allocated to gas segment on Factor No. 27 and South Dakota operations on Factor No. 89. See Statement Workpaper F, page 2.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 PROVISION FOR POST RETIREMENT
 ACCUMULATED DEFERRED INCOME TAXES ON PENSIONS
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT I**

	<u>Total</u>	<u>Provision for Pension</u>	<u>DIT on Pension</u>
Balance at December 31, 2021	\$0	\$0	\$0
Balance at December 31, 2022	<u>0</u>	<u>0</u>	<u>0</u>
Balance at December 31, 2023 1/	\$1,647,400	\$2,058,855	(\$411,455)
Pro Forma Adjustment	<u>\$1,647,400</u>	<u>\$2,058,855</u>	<u>(\$411,455)</u>

1/ Provision allocated to gas segment on Factor No. 27 and South Dakota operations on Factor No. 25. See Statement Workpaper F, page 3.

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
CASH WORKING CAPITAL
TWELVE MONTHS ENDED DECEMBER 31, 2022
ADJUSTMENT J

	Pro Forma	Cash Expense Per Day	Expense Lead Days 1/	Expense Dollar Days
<u>Operation & Maintenance</u>				
Cost of Gas	\$46,787,331	\$128,184	40.31	\$5,167,097
Labor	7,061,225	19,346	30.42	588,505
Benefits	1,349,539	3,697	12.33	45,584
Vehicles and Work Equipment	1,175,139	3,220	33.71	108,546
Subcontract Labor	1,808,823	4,956	33.71	167,067
Materials	490,438	1,344	33.71	45,306
Software Maintenance	615,778	1,687	33.71	56,869
Company Consumption	177,936	487	33.71	16,417
Uncollectible Accounts	274,383	752	33.71	25,350
Postage	258,698	709	33.71	23,900
Advertising	38,455	105	33.71	3,540
Insurance	492,060	1,348	33.71	45,441
Industry Dues	93,032	255	33.71	8,596
Regulatory Commission Expense	125,132	343	33.71	11,563
Office Supplies Expense	109,527	300	33.71	10,113
Annual Easements	6,633	18	33.71	607
All Other O&M	445,826	1,221	33.71	41,160
Total O&M	<u>\$61,309,955</u>	<u>\$167,972</u>		<u>\$6,365,661</u>
<u>Taxes</u>				
Ad Valorem Tax	\$715,208	\$1,959	398.71	\$781,073
South Dakota Gross Receipts	\$100,441	\$275	364.50	\$100,238
Secretary of State Tax	303	1	-49.50	(50)
Highway Use Tax	483	1	-136.50	(137)
Payroll Tax	474,514	1,300	22.25	28,925
Delaware Franchise Fee	5,235	14	99.50	1,393
Current Income Tax	(171,405)	(470)	37.88	(17,804)
Total Taxes	<u>\$1,124,779</u>	<u>\$3,080</u>		<u>\$893,638</u>
Interest on Short-Term Debt	\$309,314	847	18.30	\$15,500
Interest on Long-Term Debt	1,979,809	5,424	91.13	494,289
Total Interest	<u>\$2,289,123</u>	<u>\$6,271</u>		<u>\$509,789</u>
Total	<u>\$64,723,857</u>	<u>\$177,323</u>	43.81	<u>\$7,769,088</u>
Revenue Lag Days			41.58	
Expense Lead Days			43.81	
Net Days			<u>-2.23</u>	
Cash Expense per Day			\$177,323	
Cash Working Capital			<u><u>(\$395,430)</u></u>	
	Short Term Wght Cost of Debt	Long Term Wght Cost of Debt		
Adjusted Rate Base 2/	\$99,139,167	\$99,139,167		
Cost of Debt	0.312%	1.997%		
Interest on Debt	\$309,314	\$1,979,809		

1/ See Workpaper Statement F, page 4.

2/ Represents the Pro Forma Rate Base found in Rule 20:10:13:96, Statement M, page 6 excluding the Cash Working Capital Adjustment.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 CUSTOMER ADVANCES FOR CONSTRUCTION
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT K**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$1,270,484	\$2,889,392	
January	1,315,287	2,884,511	
February	1,310,028	2,914,053	
March	1,375,087	2,914,053	
April	1,782,612	2,914,053	
May	1,925,451	2,914,053	
June	1,966,906	2,914,053	
July	2,276,635	3,054,951 1/	
August	2,572,983	3,054,951	
September	2,693,095	3,054,951	
October	2,849,076	3,054,951	
November	2,885,798	3,054,951	
December 2022	2,889,392	3,054,951	
13 month average		<u>\$2,974,913</u>	<u>\$85,521</u>
Deferred Taxes	(\$606,772)	(\$641,540)	

1/ Known and expected customer advance for Deadwood area, not included in the Rate 75 Surcharge.