

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
ALLOCATION OF REVENUES
Pro Forma 2023**

Rate Class	Billing Determinants 1/					Embedded COS Before Increase 2/		
	Billing Units	Dk	Distribution Revenues	Gas Costs	Total Revenues	Operating Income	Rate Base	Rate Of Return
Residential	57,300	3,803,810	\$13,258,145	\$24,390,030	\$37,648,175	(\$999,555)	\$53,311,270	-1.875%
Firm General Service								
Small Firm General 3/	5,458	710,559	1,756,514	4,556,104	6,312,618	(77,136)	7,627,664	-1.011%
Large Firm General	2,098	2,498,683	4,152,483	16,021,555	20,174,038	1,011,552	14,151,068	7.148%
Total Firm General	7,556	3,209,242	5,908,997	20,577,659	26,486,656	934,416	21,778,732	4.290%
Small Interruptible								
Sales	6	27,935	21,944	124,171	146,115			
Transport	20	332,427	152,951	0	152,951			
Total Small IT	26	360,362	174,895	124,171	299,066	48,830	450,274	10.845%
Large Interruptible								
Sales	2	381,433	79,454	1,695,470	1,774,924			
Transportation	10	1,116,707	246,291	0	246,291			
Total Large IT	12	1,498,140	325,745	1,695,470	2,021,215	24,814	1,570,727	1.580%
Total South Dakota	64,894	8,871,554	\$19,667,782	\$46,787,330	\$66,455,112	\$8,505	\$77,111,003	0.011%

1/ Rule 20:10:13:85 Statement I, Page 7.

2/ Rule 20:10:13:97 Statement N, Schedule N-1 Page 7.

3/ Includes Optional Seasonal Firm General Gas Service Rate 72.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
ALLOCATION OF REVENUES
Pro Forma 2023**

Rate Class	Revenue Increase Based on Embedded Cost of Service 1/				Target Rate Design		Rate Design Results 2/			
	Increase In Revenue	% Incr	Operating Income	Rate of Return	Increase In Revenue	% Increase	Increase In Revenue	Total Revenues	% Incr	Rate Of Return
Residential	\$6,403,545	17.01%	\$4,051,656	7.600%	\$5,980,838	15.89%	\$5,981,780	\$43,629,955	15.89%	6.98%
Firm General Service 3/										
Small Firm General	832,689	13.19%	579,702	7.600%	792,375	12.55%	792,265	7,104,883	12.55%	7.18%
Large Firm General	81,044	0.40%	1,075,481	7.600%	516,880	2.56%	517,638	20,691,676	2.57%	10.03%
Total Firm General	913,733	3.45%	1,655,183	7.600%	1,309,255	4.94%	1,309,903	27,796,559	4.95%	9.03%
Small Interruptible Sales										
Transport										
Total Small IT	(18,520)	-6.19%	34,221	7.600%	5,673	1.90%	5,753	304,819	1.92%	11.85%
Large Interruptible Sales										
Transportation										
Total Large IT	119,878	5.93%	119,376	7.600%	122,870	6.08%	123,044	2,144,259	6.09%	7.76%
Total South Dakota	\$7,418,636	11.16%	\$5,860,436	7.600%	\$7,418,636	11.16%	\$7,420,480	\$73,875,592	11.17%	7.60%

1/ Rule 20:10:13:97 Statement N, Schedule N-1, Pages 1-5.

2/ Rule 20:10:13:99 Statement O-1, Pages 3-8.

3/ Includes Optional Seasonal Firm General Gas Service Rate 72.

Proposed Increase	\$7,418,636
Residential	15.8861%
Small Firm General	12.5522%
Large Firm General	2.5621%
Small IT	1.8969%
Large IT	6.0790%

Requested Return on Rate Base	7.600%
Inverse Of Tax Rate	78.8815%

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 RATE RECONCILIATION
 RESIDENTIAL GAS SERVICE - RATE 60
 Pro Forma 2023**

Residential Rate 60	Billing Units		Current		Proposed		Change
			Rate	Amount	Rate	Amount	
Basic Service Charge	57,300	Customers	\$0.30	\$6,274,350	\$0.55	\$11,502,975	\$5,228,625
Distribution Delivery Charge	3,803,810	dk	1.836	6,983,795	2.034	7,736,950	753,155
Cost of Gas	3,803,810	dk	6.412	<u>24,390,030</u>	6.412	<u>24,390,030</u>	<u>0</u>
Total Revenue Rate 60				\$37,648,175		\$43,629,955	\$5,981,780
Total Non-Gas Revenues Per Design						\$19,239,925	
Target Non-Gas Revenues						<u>19,238,983</u>	
Difference						\$942	

Derivation of Rates

Current Non-Gas Revenues	\$13,258,145
Proposed Revenue Increase	<u>5,980,838</u>
Total Revenue Requirement	\$19,238,983
Less:	
Proposed Basic Service Charge Revenues	\$11,502,975
Remaining Revenues To Be Collected	<u>\$7,736,008</u>
Total Rate 60 Consumption	3,803,810
Distribution Delivery Charge per dk	\$2.034

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
RATE RECONCILIATION
FIRM GENERAL GAS SERVICE - RATES 70 AND 72
Pro Forma 2023

Firm General Rate 70	Billing Units	Current		Proposed		Change
		Rate	Amount	Rate	Amount	
Basic Service Charge - 70 Small	5,457 Customers	\$0.55	\$1,095,493	\$0.82	\$1,633,280	\$537,787
Basic Service Charge - 72 Small	1 Customers	0.55	201	0.82	299	98
Basic Service Charge - 70 Large	2,098 Customers	1.68	1,286,494	1.86	1,424,332	137,838
	<u>7,556</u>		<u>\$2,382,188</u>		<u>\$3,057,911</u>	<u>\$675,723</u>
Distribution Delivery Charge						
< 500 cubic feet (Small)	710,559 Dk	\$0.930	\$660,820	\$1.288	\$915,200	\$254,380
> 500 cubic feet (Large)	2,498,683 Dk	1.147	2,865,989	1.299	3,245,789	379,800
	<u>3,209,242</u>		<u>\$3,526,809</u>		<u>\$4,160,989</u>	<u>\$634,180</u>
Cost of Gas						
< 500 cubic feet (Small)	710,559 Dk	\$6.412	\$4,556,104	\$6.412	\$4,556,104	0
> 500 cubic feet (Large)	2,498,683 Dk	6.412	16,021,555	6.412	16,021,555	0
	<u>3,209,242</u>		<u>\$20,577,659</u>		<u>\$20,577,659</u>	<u>0</u>
Total Revenue Rates 70 and 72			\$26,486,656		\$27,796,559	\$1,309,903
Total Non-Gas Revenues Per Design					\$7,218,900	
Target Non-Gas Revenues					<u>7,218,252</u>	
Difference					<u>\$648</u>	

Derivation of Rates

	Small	Large
Current Non-Gas Revenues	\$1,756,514	\$4,152,483
Proposed Revenue Increase	<u>792,375</u>	<u>516,880</u>
Total Revenue Requirement	\$2,548,889	\$4,669,363
Less:		
Proposed Basic Service Charge Revenues	<u>\$1,633,579</u>	<u>\$1,424,332</u>
Remaining Revenues To Be Collected	\$915,310	\$3,245,031
Total Rate 70 Consumption	710,559	2,498,683
Distribution Delivery Charge	\$1.288	\$1.299

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 RATE RECONCILIATION
 SMALL INTERRUPTIBLE - RATES 71 AND 81
 EXCLUDING FLEX CONTRACTS
 Pro Forma 2023**

Small Interruptible Service Rates 71 & 81	Billing Units	Current		Proposed		Change
		Rate	Amount	Rate	Amount	
Basic Service Charge						
Rate 71 Sales	5 Customers	\$180.00	\$10,800	\$210.00	\$12,600	\$1,800
Rate 81 Transport	18 Customers	180.00	38,880	210.00	45,360	6,480
	23		\$49,680		\$57,960	8,280
Distribution Delivery Charge						
Rate 71 Sales	25,237 dk	\$0.342	\$8,631	\$0.330	\$8,328	(\$303)
Rate 81 Transport	275,331 dk	0.342	94,163	0.330	90,859	(3,304)
	300,568		\$102,794		\$99,187	(\$3,607)
Cost of Gas	25,237 dk	\$4.445	\$112,178	\$4.445	\$112,178	0
Total Revenue Small Interruptible			\$264,652		\$269,325	\$4,673
Total Non-Gas Revenues per Design (Excluding Flexed Contracts)					\$157,147	
Target Non-Gas Revenues					157,067	
Difference					\$80	

Derivation of Rates

Small Interruptible Non-Gas Revenue Requirement	\$174,895
Less: Flexed Contracts	(23,501)
Proposed Revenue Increase	5,673
Proposed Revenue Requirement	\$157,067
Less:	
Proposed Basic Service Charge Revenues	57,960
Remaining Revenues To Be Collected	\$99,107
Total Throughput Rates 71 & 81 (Excluding Flexed Contracts)	300,568
Distribution Delivery Charge	\$0.330

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 REVENUE RECONCILIATION
 SMALL INTERRUPTIBLE SERVICE - RATES 71 & 81
 Pro Forma 2023**

Small Interruptible Sales	
Basic Service Charge Revenues	\$12,600
Commodity Revenues	8,328
Cost of Gas	112,178
Distribution Revenue Flexed	2,873
Cost of Gas- Assoc with Flex	11,993
Total Sales Revenues	<u>\$147,972</u>
Small Interruptible Transportation	
Basic Service Charge Revenues	\$45,360
Transportation Revenues @ Ceiling	90,859
Transportation Revenue - Flexed	15,588
Basic Service Charge Revenues - Flexed	5,040
Total Transportation Revenue	<u>\$156,847</u>
Total Small Interruptible Revenues Per Design	\$304,819
Total Small Interruptible Target Revenues	<u>304,739</u>
Difference	<u><u>\$80</u></u>

Flexed Contracts - Pro Forma 2023						
Customer ID	Proposed			Rate	Distribution Revenue	Total Revenue
	Bills	BSC	Dk			
81-11	12	\$2,520	31,036	\$0.247	\$7,666	\$10,186
81-12	12	2,520	26,060	0.304	7,922	10,442
Subtotal Transport	24	\$5,040	57,096		\$15,588	\$20,628
71-6	12	\$2,520	2,698	0.131	\$353	\$2,873
Subtotal Sales	12	\$2,520	2,698		\$353	\$2,873
Total Flex	36	\$7,560	59,794		\$15,941	\$23,501

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 RATE RECONCILIATION
 LARGE INTERRUPTIBLE - RATES 85 AND 82
 Pro Forma 2023**

Large Interruptible Service Rates 85 & 82	Billing Units	Current		Proposed		Change
		Rate	Amount	Rate	Amount	
Basic Service Charge						
Rate 85 Sales	2 Customers	\$275.00	\$6,600	\$370.00	\$8,880	\$2,280
Rate 82 Transport	10 Customers	275.00	33,000	370.00	44,400	11,400
	<u>12</u>		<u>\$39,600</u>		<u>\$53,280</u>	<u>\$13,680</u>
Distribution Delivery Charge						
Rate 85 Sales	381,433 dk	\$0.191	\$72,854	\$0.264	\$100,698	\$27,844
Rate 82 Transport	1,116,707 dk	0.191	213,291	0.264	294,811	81,520
			<u>\$286,145</u>		<u>\$395,509</u>	<u>\$109,364</u>
Cost of Gas						
Rate 85 Sales	381,433 dk	\$4.45	<u>\$1,695,470</u>	\$4.45	<u>\$1,695,470</u>	0
Total Revenue - Large Interruptible			\$2,021,215		\$2,144,259	\$123,044
Total Non-Gas Revenues per Design					\$448,789	
Target Non-Gas Revenues					<u>448,615</u>	
Difference					<u>\$174</u>	

Derivation of Rates

Large Interruptible Non-Gas Revenue Requirement	\$325,745
Proposed Revenue Increase	122,870
Total Revenue Requirement	<u>\$448,615</u>
Less:	
Proposed Basic Service Charge Revenues	<u>53,280</u>
Total Revenue Requirement	\$395,335
Total Throughput Rates 82 & 85	1,498,140
Distribution Delivery Charge	\$0.264

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
REVENUE RECONCILIATION
LARGE INTERRUPTIBLE SERVICE - RATES 85 AND 82
Pro Forma 2023

Large Interruptible Sales	
Basic Service Charge Revenues	\$8,880
Commodity Revenues	100,698
Cost of Gas	<u>1,695,470</u>
Total Sales Revenues	\$1,805,048
Large Interruptible Transportation	
Basic Service Charge Revenues	\$44,400
Transportation Revenues - @ Ceiling	294,811
Transportation Revenues - Flexed	<u>0</u>
Total Transportation Revenues	<u>\$339,211</u>
Total Large Interruptible Revenues Per Design	\$2,144,259
Total Large Interruptible Target Revenues	2,144,085
Difference	\$174