

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
SUMMARY OF ADJUSTMENTS TO PER BOOKS TAXABLE INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2022

<u>Operating Income</u>	<u>Reference</u>	<u>Pro Forma Adjustment</u>
<u>Current Income Taxes</u>		
Interest Expense Annualization 1/	Statement K, Page 9	\$294,669
Book Depreciation on Plant 1/	Statement K, Page 10	5,484,458
Tax Depreciation on Plant 1/	Statement K, Page 10	(6,278,189)
Income Taxes on Pro Forma Adjustments	Statement K, Page 11	(518,501)
Elimination of Closing/Filing and prior-period	Statement K, Page 12	(7,713)
<u>Deferred Income Taxes</u>		
Elimination of Closing/Filing and prior-period	Statement K, Page 12	(14,708)
Deferred Income Taxes on Plant	Statement K, Page 10	(166,683)
Plant Excess Deferred Taxes - ARAM	Statement K, Page 13	(51,210)
<u>Rate Base</u>		
Accumulated Deferred Income Taxes -		
Liberalized Depreciation	Statement K, Page 17	(166,683)
Excess Deferred Taxes	Statement K, Page 17	(250,856)
Contribution in Aid of Construction	Statement K, Page 17	0
Unamortized Loss on Debt	Statement K, Page 17	(2,711)
Unamortized Rate Case Expense	Statement K, Page 17	128,632
Provision for Pension Benefits	Statement K, Page 17	1,748,794
Provision for Post Retirement	Statement K, Page 17	411,455
Customer Advances	Statement K, Page 17	(34,768)
Total Adjustment to Current Income Taxes		<u>\$1,833,863</u>

1/ Amount is shown before income tax effect.

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022

	Utility		Total	Non-Utility	Total Company
	Electric	Gas			
Operating Revenue	\$377,258,129	\$474,963,704	\$852,221,833		\$852,221,833
Non-Utility Income (before income taxes)				\$7,704,876	7,704,876
Total Revenue	<u>\$377,258,129</u>	<u>\$474,963,704</u>	<u>\$852,221,833</u>	<u>\$7,704,876</u>	<u>\$859,926,709</u>
Operating Expense:					
O&M Expense	\$210,295,367	408,255,059	618,550,426	9,394,768	627,945,194
Depreciation Expense	\$67,574,084	28,575,476	96,149,560		96,149,560
Taxes Other than Income	16,893,689	14,196,934	31,090,623	33,989	31,124,612
Total Operating Expense	<u>294,763,140</u>	<u>451,027,469</u>	<u>745,790,609</u>	<u>9,428,757</u>	<u>755,219,366</u>
Operating Income	82,494,989	23,936,235	106,431,224	(1,723,881)	104,707,343
Interest Expense/Other Inc. & Deduct.	28,540,362	9,607,685	38,148,047	(1,696,153)	36,451,894
Accrued Tax Interest					
Book Taxable Income before Adjustments	<u>53,954,627</u>	<u>14,328,550</u>	<u>68,283,177</u>	<u>(27,728)</u>	<u>68,255,449</u>
Deductions and Adjustments to Book Income:					
Tax Deductions and Adjustments 1/	30,436,825	(12,022,512)	18,414,313	(1,661,753)	16,752,560
Total Deductions and Adjustments	<u>30,436,825</u>	<u>(12,022,512)</u>	<u>18,414,313</u>	<u>(1,661,753)</u>	<u>16,752,560</u>
Taxable Income - Before State Income Tax	23,517,802	26,351,062	49,868,864	1,634,025	51,502,889
Less: Deductible State Income Taxes	<u>(1,008,769)</u>	<u>(1,131,562)</u>	<u>(2,140,331)</u>	<u>1,429,817</u>	<u>(710,514)</u>
Federal Taxable Income	<u>22,509,033</u>	<u>25,219,500</u>	<u>47,728,533</u>	<u>3,063,842</u>	<u>50,792,375</u>
Federal Income Taxes @ 21%	4,726,897	5,296,095	10,022,992	643,407	10,666,399
Credits and Adjustments	(15,894,826)	(464,679)	(16,359,505)		(16,359,505)
State Income Taxes	1,008,769	1,131,562	2,140,331	(1,429,817)	(710,514)
Federal and State Income Taxes	<u>(10,159,160)</u>	<u>5,962,978</u>	<u>(4,196,182)</u>	<u>(786,410)</u>	<u>(6,403,620)</u>
Closing and Prior Year's Adjustment	<u>(1,483,168)</u>	<u>39,609</u>	<u>(1,443,559)</u>	<u>695,775</u>	<u>(747,784)</u>
Total Federal and State Income Taxes	<u><u>(\$11,642,328)</u></u>	<u><u>\$6,002,587</u></u>	<u><u>(\$5,639,741)</u></u>	<u><u>(\$90,635)</u></u>	<u><u>(\$7,151,404)</u></u>

1/ See pages 3 - 5.

**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility		Total	Non-Utility	Total Company
	Electric	Gas			
<u>Property Timing Differences</u>					
AFUDC Equity	(\$806,083)	(\$177,495)	(\$983,578)	\$1,587,556	\$603,978
AFUDC CWIP	(972,856)	9,471	(963,385)		(963,385)
Contributions in Aid of Construction (CIAC)	(6,353,204)	304,743	(6,048,461)	532,552	(5,515,909)
Net Negative Salvage	(51,110)		(51,110)		(51,110)
Property Timing Differences	53,145,779	4,528,242	57,674,021	(648,312)	57,025,709
Decommissioning	(1,242,253)		(1,242,253)		(1,242,253)
Total Property Timing Differences	43,720,273	4,664,961	48,385,234	1,471,796	49,857,030
<u>Other Timing Differences</u>					
Reserved Revenue	(\$932,441)		(\$932,441)		(\$932,441)
Bad Debts Expense	(106,027)	(180,084)	(286,111)		(286,111)
Incentive Compensation	1,805,768	1,413,070	3,218,838		3,218,838
Property Insurance Recovery	(672,427)	(232,639)	(905,066)		(905,066)
Property Insurance Reserve	1,197,850	414,419	1,612,269		1,612,269
Vacation Pay	(181,096)	(42,293)	(223,389)		(223,389)
Customer Advances	239,826	(2,644,710)	(2,404,884)		(2,404,884)
Prepaid Demand Charge		556,842	556,842		556,842
Prepaid Expenses	8,509	6,658	15,167		15,167
F&PP Deferral	(2,218,161)		(2,218,161)		(2,218,161)
ND Generation Resource Recovery Rider	(49,832)		(49,832)		(49,832)
MT Ad Valorem Tax Tracker	980,927	(556,514)	424,413		424,413
SD Conservation Tracking Adjustment		(37,134)	(37,134)		(37,134)
MT Conservation Tracking Adjustment		(13,010)	(13,010)		(13,010)
Purchased Gas Adjustment		(15,741,889)	(15,741,889)		(15,741,889)
ND Transmission Tracker	(601,178)		(601,178)		(601,178)
ND Renewable Resource Recovery Rider	(468,930)		(468,930)		(468,930)
Sundry Reserves	(36,565)	(12,650)	(49,215)		(49,215)
MN Decoupling		(1,265,729)	(1,265,729)		(1,265,729)

**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility			Non-Utility	Total Company
	Electric	Gas	Total		
MT PSC/MCC Tax Deferral	(93,222)	(40,873)	(134,095)		(134,095)
SD Infrastructure Rider					
SD Transmission Cost Recovery Rider	278,826		278,826		278,826
Mor-Gran-Sou Capacity Revenue	81,806		81,806		81,806
WAPA Fiber Demand Revenue	49,315		49,315		49,315
Pension	(1,085,609)	(1,719,582)	(2,805,191)		(2,805,191)
Pension - Intercompany	1,651,543	2,616,010	4,267,553		4,267,553
Postretirement	(2,149,262)	(3,404,386)	(5,553,648)		(5,553,648)
Postretirement - Intercompany	(208,180)	(329,752)	(537,932)		(537,932)
Deferred Compensation	(144,963)	(229,618)	(374,581)		(374,581)
Deferred Compensation - Officers	33,481	11,584	45,065		45,065
PCB Related Income		2,598	2,598		2,598
Unamortized Loss on Reacquired Debt	(423,597)	(122,766)	(546,363)		(546,363)
Preferred Stock Redemption Amortization - Reg Asset	(32,226)	(7,774)	(40,000)		(40,000)
Manufactured Gas Plant Site - Missoula - Reg Asset		246,108	246,108		246,108
Manufactured Gas Plant Site - Missoula - Reg Liability		(70,237)	(70,237)		(70,237)
Manufactured Gas Plant Site - Billings - Reg Asset		19,919	19,919		19,919
ND Renewable Resource Recovery Rider - Noncurrent	(6,298,380)		(6,298,380)		(6,298,380)
Regulatory Commission Expense - Non Rate Base	398,948	(473,087)	(74,139)		(74,139)
Pension - Reg Asset	1,400,893	2,218,985	3,619,878		3,619,878
Pension Intercompany - Reg Asset	(1,651,543)	(2,616,010)	(4,267,553)		(4,267,553)
Postretirement - Reg Asset	3,236,933	5,127,234	8,364,167		8,364,167
Postretirement - Intercompany - Reg Asset	208,180	329,752	537,932		537,932
Deferred Medicare Part D	47,330	96,027	143,357		143,357
Payroll Tax Deferral	753,020	1,192,767	1,945,787		1,945,787
Abandoned Power Plant Cost Recovery	(300,046)		(300,046)		(300,046)

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022

	Utility			Non-Utility	Total Company
	Electric	Gas	Total		
Retired Power Plant	4,644		4,644		4,644
Gain on Building Sale - Reg Liability	43,618	17,564	61,182		61,182
Loss on Building Sale - Reg Asset	(105,713)	(40,007)	(145,720)		(145,720)
ND Generation Resource Recovery Rider - Lewis & Clark Plant-Related	(1,852,194)		(1,852,194)		(1,852,194)
ND Generation Resource Recovery Rider - Lewis & Clark Other	(311,125)		(311,125)		(311,125)
SD Infrastructure Rider - Lewis & Clark Plant-Related	(366,902)		(366,902)		(366,902)
SD Infrastructure Rider - Lewis & Clark Other	(24,609)		(24,609)		(24,609)
ND Generation Resource Recovery Rider - Heskett Plant-Related	20,127,788		20,127,788		20,127,788
ND Generation Resource Recovery Rider - Heskett Other	1,277,018		1,277,018		1,277,018
SD Infrastructure Rider - Heskett Plant-Related	1,118,151		1,118,151		1,118,151
SD Infrastructure Rider - Heskett Other	89,517		89,517		89,517
Plant Closure - Reg Asset	(28,545,368)		(28,545,368)		(28,545,368)
Plant Closure - Reg Liability	1,715,848		1,715,848		1,715,848
Contract Demand		(207,879)	(207,879)		(207,879)
Partnership Ordinary Income/Loss					
SISP/SERP Expense				(241,830)	(241,830)
Total Other Timing Differences	(12,109,857)	(15,719,086)	(27,828,943)	(241,830)	(28,070,773)
<u>Permanent Differences</u>					
Dividend Received Deduction				\$235	\$235
50% Meals and Entertainment					
100% Entertainment	(742)	(581)	(1,323)		(1,323)
Penalties	4,756	3,722	8,478		8,478
Qualified Transportation Fringe - Parking	(49,649)	(38,852)	(88,501)		(88,501)
Fuel Tax Credit - Perm	(9,441)	(7,388)	(16,829)		(16,829)
Performance Share Program - Perm	(132,508)	(103,692)	(236,200)		(236,200)
162(M) Executive Compensation	(900,806)	(704,908)	(1,605,714)		(1,605,714)
Unrealized Gain/Losses on Deferred Compensation	(70,249)	(111,273)	(181,522)		(181,522)
Accrued Tax Interest	(14,952)	(5,415)	(20,367)		(20,367)
Lobbying Expenses				(154,977)	(154,977)
401(k) Dividend Deduction				2,278,285	2,278,285
Unrealized Gain/Losses on SISP/SERP Investments				(5,101,841)	(5,101,841)
SISP/SERP Premium & CSV				86,579	86,579
Total Permanent M-1's	(1,173,591)	(968,387)	(2,141,978)	(2,891,719)	(5,033,697)
Total Tax Deductions and Adjustments	<u>\$30,436,825</u>	<u>(\$12,022,512)</u>	<u>\$18,414,313</u>	<u>(\$1,661,753)</u>	<u>\$16,752,560</u>

**MONTANA DAKOTA UTILITIES CO.
 COMPUTATION OF INCOME TAX LIABILITY AND TAX SAVINGS
 BASED ON MDU RESOURCES GROUP, INC. 2021
 CONSOLIDATED FEDERAL INCOME TAX RETURN**

	Montana-Dakota Utilities Co.	MDU Resources Group, Inc. 1/
Net Taxable Income (Loss)	(\$22,354,437)	\$223,849,430
Federal Income Tax:		
Statutory Taxes @ 21%	\$0	\$42,313,949
Less Credits:		
General Business Credit	0	16,479,596
Total Tax	\$0	\$25,834,353
Tax Savings Arising From Consolidation	\$0	

Montana Dakota Utilities Co. is a member of a group that files a consolidated Federal Income Tax Return. There are no tax savings available to Montana-Dakota Utilities Co. as a result of being included in a consolidated tax return during the test period.

1/ Reflects MDU Resources Group, Inc. and includible subsidiaries.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
 TWELVE MONTHS ENDED DECEMBER 31, 2022**

	South Dakota
Operating Revenue	\$78,004,913
Operating Expense:	
O&M Expense	\$69,475,707
Depreciation Expense	5,196,612
Taxes Other than Income	1,180,705
Total Operating Expense	\$75,853,024
Operating Income	\$2,151,889
Interest Expense	1,485,824
Book Taxable Income before Adjustments	\$666,065
Deductions and Adjustments to Book Income:	
Tax Deductions 1/	(1,349,385)
Taxable Income - Before State Income Tax	\$2,015,450
Less: State Income Taxes	
Federal Taxable Income	\$2,015,450
Federal Income Taxes @ 21%	\$423,245
Credits and Adjustments	(75,039)
State Income Taxes	0
Federal and State Income Taxes	\$348,206
Closing/Filing and Prior Period Adjustment	7,713
Total Federal and State Income Taxes	\$355,919

1/ See Rule 20:10:13:88, Statement K page 8.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
 INCOME TAX DEDUCTIONS
 TWELVE MONTHS ENDED DECEMBER 31, 2022**

	South Dakota
<u>Property M-1's</u>	
AFUDC CWIP	(\$2,522)
AFUDC Equity	(23,942)
CWIP	(1,957)
Liberalized Depreciation and Other	847,623
<u>Other M-1's</u>	
Bad Debt Expense	(39,716)
Incentive Compensation	268,661
Property Insurance	32,068
Vacation Pay	(27,294)
Customer Advances	(1,618,908)
Prepaid Expense	110,380
Conservation Tracking Adjustment	(37,134)
Purchased Gas Adjustment	(1,291,357)
Sundry Reserves	(2,231)
Deferred Pension Expense	196,669
Deferred Postretirement Benefit Costs (FAS 106)	(709,956)
Deferred Compensation- Directors	(41,454)
PCB Related Income	526
Unamortized Loss on Reacquired Debt	(18,686)
Preferred Stock Redemption Amortization	(1,257)
Pension Expense	(87,104)
Postretirement Benefits Cost (FAS 158)	1,037,515
Deferred Medicare Part D	17,840
Payroll Tax Deferral	226,776
<u>Permanent M-1's</u>	
100% Entertainment	(110)
Penalties	708
Qualified Transportation Fringe	(7,387)
Fuel Tax Credit	(1,405)
Performance Share Program	(19,715)
Executive Compensation	(134,021)
Unrealized Gain/Loss on Deferred Compensation	(21,156)
Accrued Tax Interest	(839)
Total M-1 Deductions	(\$1,349,385)

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
ADJUSTMENT FOR INTEREST EXPENSE ANNUALIZATION
ADJUSTMENT NO. 25**

	<u>Per Books</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma</u>
Rate Base 1/	\$57,484,505	\$19,626,492	\$77,110,997
Weighted Cost of Debt 2/			2.309%
Interest Expense - Pro Forma			\$1,780,493
Interest Expense - Per Books			<u>1,485,824</u>
Pro Forma Adjustment			<u><u>\$294,669</u></u>

1/ Rule 20:10:13:96, Statement M, page 6.

2/ Rule 20:10:13:72, Statement G, page 1, Long and Short Term Debt.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 DEFERRED INCOME TAX ON PLANT ADDITIONS
 FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT NO. 26**

	<u>Total</u>	<u>Plant Additions 1/</u>	<u>Vintage Plant 2/</u>
<u>Tax Depreciation Deduction</u>			
Tax Depreciation	\$5,484,458	\$647,904	\$4,836,554
Book Depreciation 3/	<u>6,278,189</u>	<u>249,482</u>	<u>6,028,707</u>
Net Tax Depreciation	<u>(\$793,731)</u>	<u>\$398,422</u>	<u>(\$1,192,153)</u>
<u>Deferred Income Taxes - Current</u>	<u>(\$166,683)</u>	<u>\$83,669</u>	<u>(\$250,352)</u>

1/ See Rule 20:10:13:88, Statement K, page 18.

2/ See Workpaper Statement K, pages 1-2.

3/ Includes depreciation on accounts charged to clearing accounts.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - SOUTH DAKOTA
 CALCULATION OF ADJUSTMENT TO
 CURRENT INCOME TAXES
 ADJUSTMENT NO. 27**

	<u>Pro Forma Adjustments</u>
Operating Revenues	
Sales Revenues	(\$10,804,286)
Transportation Revenues	3,687
Other Revenues	<u>(241,038)</u>
Total Operating Revenues	(11,041,637)
Operating Expenses	
Operation and Maintenance	
Cost of Gas	(\$10,096,201)
Other O&M	<u>1,930,449</u>
Total O&M	(8,165,752)
Depreciation Expense	(23,249)
Taxes other Than Income	<u>115,479</u>
Total Operating Expenses	(\$8,073,522)
Gross Adjustments to Operating Income	(2,968,115)
Deductions and Adjustments to Book Income:	
Interest Annualization 1/	294,669
Book/Tax Depreciation Difference on Plant 2/	<u>(793,731)</u>
Total Adjustments to Taxable Income	(499,062)
Taxable Income	(2,469,053)
Federal Income Taxes @ 21%	(\$518,501)
Elimination of Federal & State Prior Period Adj.	<u>(7,713)</u>
Total Adjustment to Current Income Taxes	<u><u>(\$526,214)</u></u>

1/ Rule 20:10:13:88, Statement K, page 9.

2/ Rule 20:10:13:88, Statement K, page 10.

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
ADJUSTMENT TO CURRENT AND DEFERRED INCOME TAXES
FOR ROUNDING AND PRIOR YEAR'S AND CLOSING/FILING
TWELVE MONTHS ENDED DECEMBER 31, 2022
ADJUSTMENT NO. 28**

Adjustment to Current Federal Income Taxes to Eliminate
Closing/Filing and Prior Years Adjustments (\$7,713)

Adjustment to Deferred Income Taxes to Eliminate
Closing/Filing (\$14,708)

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
EXCESS DEFERRED INCOME TAXES
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT NO. 29**

Plant Related - ARAM Method - Per Books	(\$199,646)
Plant Related - ARAM Method - Pro Forma	(250,856)
Plant Related - ARAM Method	<u><u>(\$51,210)</u></u>

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS CO.

ACCUMULATED DEFERRED INCOME TAXES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2022

Docket No. NG23-_____

Rule 20:10:13:88

Statement K

Page 14 of 18

	Total Company	Electric	Gas	Non-Utility
<u>Account 190:</u>				
January	\$29,999,717	\$12,366,694	\$12,055,492	\$5,577,531
February	29,583,262	11,553,315	12,360,007	5,669,940
March	30,302,747	11,577,336	13,070,526	5,654,885
April	30,425,088	11,786,620	13,001,814	5,636,654
May	27,201,783	11,584,214	11,674,020	3,943,549
June	26,420,737	11,671,384	10,824,126	3,925,227
July	26,883,963	11,977,146	10,998,970	3,907,847
August	27,302,166	12,284,069	11,127,629	3,890,468
September	27,407,511	12,435,237	11,098,974	3,873,300
October	27,835,958	12,662,077	11,317,961	3,855,920
November	27,656,468	12,558,465	11,351,243	3,746,760
December 2022	25,365,005	11,785,227	10,053,430	3,526,348
<u>Account 282: (Other Property)</u>				
January	(204,080,870)	(164,756,147)	(34,245,413)	(5,079,310)
February	(205,015,952)	(165,621,077)	(34,268,155)	(5,126,720)
March	(205,987,027)	(166,519,033)	(34,290,982)	(5,177,012)
April	(206,939,703)	(167,422,894)	(34,314,250)	(5,202,559)
May	(207,888,324)	(168,322,442)	(34,337,442)	(5,228,440)
June	(208,839,619)	(169,222,594)	(34,360,534)	(5,256,491)
July	(209,819,949)	(170,126,085)	(34,384,307)	(5,309,557)
August	(210,798,177)	(171,027,059)	(34,408,107)	(5,363,011)
September	(211,656,790)	(171,816,694)	(34,431,665)	(5,408,431)
October	(212,627,223)	(172,720,522)	(34,455,437)	(5,451,264)
November	(214,883,758)	(175,075,532)	(34,397,431)	(5,410,795)
December 2022	(217,893,740)	(176,916,766)	(35,635,463)	(5,341,511)
<u>Account 283: (Other)</u>				
January	(61,117,758)	(34,653,568)	(26,464,190)	0
February	(60,761,878)	(35,394,428)	(25,367,450)	0
March	(58,448,927)	(34,110,414)	(24,338,513)	0
April	(57,043,311)	(33,247,219)	(23,796,092)	0
May	(55,534,482)	(32,429,584)	(23,104,898)	0
June	(56,242,533)	(31,939,965)	(24,302,568)	0
July	(58,239,168)	(31,863,047)	(26,376,121)	0
August	(60,814,015)	(31,853,569)	(28,960,446)	0
September	(61,347,636)	(31,852,773)	(29,494,863)	0
October	(59,586,035)	(31,721,798)	(27,864,237)	0
November	(56,882,438)	(31,105,387)	(25,777,051)	0
December 2022	(53,831,920)	(30,728,753)	(23,103,167)	0
<u>Total Company</u>				
January	(235,198,911)	(187,043,021)	(48,654,111)	498,221
February	(236,194,568)	(189,462,190)	(47,275,598)	543,220
March	(234,133,207)	(189,052,111)	(45,558,969)	477,873
April	(233,557,926)	(188,883,493)	(45,108,528)	434,095
May	(236,221,023)	(189,167,812)	(45,768,320)	(1,284,891)
June	(238,661,415)	(189,491,175)	(47,838,976)	(1,331,264)
July	(241,175,154)	(190,011,986)	(49,761,458)	(1,401,710)
August	(244,310,026)	(190,596,559)	(52,240,924)	(1,472,543)
September	(245,596,915)	(191,234,230)	(52,827,554)	(1,535,131)
October	(244,377,300)	(191,780,243)	(51,001,713)	(1,595,344)
November	(244,109,728)	(193,622,454)	(48,823,239)	(1,664,035)
December 2022	(246,360,655)	(195,860,292)	(48,685,200)	(1,815,163)

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
DEFERRED INCOME TAXES
TWELVE MONTHS ENDED DECEMBER 31, 2022**

	<u>South Dakota</u>
<u>Timing Deductions & Adjustments:</u>	
Property Timing Differences	\$180,293
TCJA Excess Plant - ARAM amortization	(199,646)
ADUDC - Debt/Capitalized Interest	(411)
Bad Debt Expense	(8,340)
Incentive Compensation	56,419
Property Insurance	6,734
Vacation Pay	(5,732)
Customer Advances	(339,971)
Prepaid Expense	23,180
PCB Related Income	111
Conservation Tracking Adjustment	(7,798)
Unamortized Loss on Reacquired Debt	(3,924)
Preferred Stock Redemption Amortization	(264)
Purchased Gas Adjustment	(271,184)
Sundry Reserves	(469)
Deferred Pension Expense	41,300
Deferred Postretirement Benefit Costs (FAS 106)	(149,091)
Deferred Compensation- Directors	(8,705)
Pension Expense	(18,292)
Postretirement Benefits Cost (FAS 158)	217,878
Deferred Medicare Part D	3,746
Payroll Tax Deferral	47,623
Closing/Filing and Prior Period Adjustment	<u>14,708</u>
	(\$421,835)

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS CO.
ANALYSIS OF ACCUMULATED DEFERRED INCOME TAXES
GAS UTILITY - SOUTH DAKOTA
DECEMBER 31, 2021 AND DECEMBER 31, 2022

	Total Company		South Dakota		Average Balance
	Balance @		Balance @		
	12/31/2021	12/31/2022	12/31/2021	12/31/2022	
Gas Utility - Rate Base Deductions:					
Depreciation, Retirements and Other Timing	\$60,711,914	60,910,603	10,435,475	10,458,177	10,446,826
Differences Required to be Normalized					
Contributions In Aid of Construction	(4,855,395)	(4,841,587)	(915,925)	(882,493)	(899,209)
Excess Deferred - Nonplant Rate Base	(110,955)	(61,045)	-	-	-
Customer Advances	(2,708,353)	(3,299,148)	(266,802)	(606,772)	(436,787)
Unamortized Loss on Debt	129,967	103,749	16,490	13,595	15,042
Gain on Building Sale	(53,700)	(49,414)	-	-	-
Loss on Building Sale	165,169	155,405	-	-	-
Prepaid Demand Charges	915,966	1,047,972	142,442	165,355	153,898
Pension Benefit Costs	8,916,128	9,292,265	1,653,599	1,755,089	1,704,344
Postretirement Benefit Costs	1,530,201	1,994,098	245,450	326,397	285,924
Acquisition Adjustment	6,634	5,557	-	-	-
Total Rate Base Deductions	<u>\$64,647,576</u>	<u>\$65,258,457</u>	<u>\$11,310,729</u>	<u>\$11,229,348</u>	<u>\$11,270,038</u>
	-	-			
	Total Company				
	Balance @				
	12/31/2021	12/31/2022			
Gas Utility - Timing Differences:					
Partnership Ordinary Income/Loss	(\$6)	(\$6)			
Uniform Capitalization	(267,386)	(245,391)			
Deferred Compensation	(36,490)	(93,541)			
Deferred Compensation - Officers	(26,242)	(24,566)			
Bad Debts Expense	(73,575)	(117,244)			
Incentive Compensation	(739,431)	(417,309)			
Property Insurance Recovery	54,365	-			
Property Insurance Reserve	(128,995)	(33,558)			
Vacation Pay	(1,143,586)	(1,174,972)			
Contingency Reserve	97,772	97,772			
PCB Related Income	(2,236)	(1,602)			
Prepaid Expenses	62,102	65,621			
MT Ad Valorem Tax Tracker	199,006	52,463			
SD Conservation Tracking Adjustment	7,798	-			
MT Conservation Tracking Adjustment	32,514	29,088			
Manufactured Gas Plant Sites	299,010	350,566			
Purchased Gas Adjustment	9,387,148	5,278,018			
MN Decoupling	564,720	200,924			
Sundry Reserves	(5,340)	(8,660)			
Regulatory Commission Expense	305,719	182,553			
MT PSC/MCC Tax Deferral	10,763	-			
SISP Expense	(1,532,544)	(1,558,441)			
Deferred Medicare Part D	(20,841)	1,988			
Payroll Tax Deferral	(282,880)	-			
Preferred Stock Redemption Amortization	21,687	19,787			
Bobcat Contract Demand	(131,918)	(182,651)			
Non-Utility Plant	1,709,981	1,568,682			
CWIP	(228,336)	(2,950)			
AFUDC - Equity	518,657	487,801			
Excess Deferrred Income Taxes (Non-Rate Base)	43,697	(148,536)			
SISP (OCI)	(861,416)	46,590			
Net Normalization (FAS109)	<u>(22,542,873)</u>	<u>(20,909,093)</u>			
	(14,709,156)	(16,536,667)			
Total Gas Utility	<u>\$49,938,420</u>	<u>\$48,721,790</u>			

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT L**

	<u>Balance @ 12/31/2022</u>	<u>Adjustments</u>	<u>Pro Forma Balance @ 12/31/2023</u>	<u>Pro Forma Adjustment</u>
Liberalized Depreciation	\$7,332,136	(\$166,683) 1/	\$7,165,453	(\$166,683)
Excess Deferred Taxes	3,126,041	(250,856) 2/	2,875,185	(250,856)
Contribution in Aid of Construction	(882,493)	0	(882,493)	0
Unamortized Loss on Debt	13,595	(2,711) 3/	10,884	(2,711)
Unamortized Rate Case Expense	0	128,632 4/	128,632	128,632
Provision for Pension Benefits	0	1,748,794 5/	1,748,794	1,748,794
Provision for Post Retirement	0	411,455 6/	411,455	411,455
Customer Advances 7/	(606,772)	(34,768)	(641,540)	(34,768)
Balance	<u>\$8,982,507</u>	<u>\$1,833,863</u>	<u>\$10,816,370</u>	<u>\$1,833,863</u>

1/ See Rule 20:10:13:88, Statement K, page 10.

2/ See Rule 20:10:13:88, Statement K, page 13.

3/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 3.

4/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 5.

5/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 6.

6/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 7.

7/ Adjustment is the difference between the per books and pro forma deferred taxes balances as shown on Rule 20:10:13:69, Statement F, Schedule F-1, page 9.

**MONTANA-DAKOTA UTILITIES CO.
BOOK/TAX DEPRECIATION ON 2023 PLANT ADDITIONS
GAS UTILITY - SOUTH DAKOTA
PRO FORMA**

<u>Plant Additions</u>	<u>Plant Additions</u>	<u>Annual Depreciation</u>	<u>Book Depr. for Taxes 1/</u>	<u>Tax Depreciation 2/</u>	<u>Book/Tax Difference</u>
Distribution	\$8,750,173	\$260,265	\$130,133	\$328,131	\$197,998
General					
Other	505,716	102,421	51,211	\$72,267	\$21,056
Structures & Improvement	7,568	133	67	105	38
Transportation/Work Equipment	563,000	54,555	27,278	112,600	85,322
Total General	<u>\$1,076,284</u>	<u>157,109</u>	<u>78,556</u>	<u>184,972</u>	<u>\$106,416</u>
General Intangible	\$182,037	36,407	18,204	60,673	\$42,469
Common					
Other	53,981	3,430	1,715	7,714	\$5,999
Structures & Improvement	0	0	0	0	0
Computer Equip.	70,151	17,245	8,623	14,030	5,407
Transportation	32,687	3,154	1,577	6,537	4,960
Total Common	<u>\$156,819</u>	<u>23,829</u>	<u>11,915</u>	<u>28,281</u>	<u>\$16,366</u>
General Intangible	\$137,554	21,347	10,674	45,847	\$35,173
Total Additions	<u><u>\$10,302,867</u></u>	<u><u>\$498,957</u></u>	<u><u>\$249,482</u></u>	<u><u>\$647,904</u></u>	<u><u>\$398,422</u></u>

1/ Annual depreciation divided by 2 to reflect half year convention.

2/ Tax depreciation rates are:

Distribution	3.750%
General & Common	14.290%
Structures & Improvements	1.391%
Transportation & Computer	20.000%
Intangible	33.330%