

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

	Total Company	South Dakota	Other	Reference
Operating Revenues				
Sales	\$405,793,936	\$76,860,156	\$328,933,780	Rule 20:10:13:85 Statement I
Transportation	5,365,560	395,555	4,970,005	Rule 20:10:13:85 Statement I
Other	5,007,172	749,202	4,257,970	Rule 20:10:13:85 Statement I
Total Revenues	<u>416,166,668</u>	<u>\$78,004,913</u>	<u>\$338,161,755</u>	
Operating Expenses				
Operation and Maintenance				
Cost of Gas	\$298,226,835	\$56,883,532	241,343,303	Rule 20:10:13:80 Statement H
Other O&M	56,988,095	12,592,175	44,395,920	Rule 20:10:13:80 Statement H
Total O&M	<u>\$355,214,930</u>	<u>\$69,475,707</u>	<u>\$285,739,223</u>	
Depreciation	26,057,997	5,196,612	20,861,385	Rule 20:10:13:86 Statement J
Taxes Other Than Income	12,783,940	1,180,705	11,603,235	Rule 20:10:13:94 Statement L
Current Income Taxes	2,588,895	355,919	2,232,976	Rule 20:10:13:88 Statement K
Deferred Income Taxes	<u>(2,296,838)</u>	<u>(421,835)</u>	<u>(1,875,003)</u>	Rule 20:10:13:88 Statement K
Total Expenses	<u>\$394,348,924</u>	<u>\$75,787,108</u>	<u>\$318,561,816</u>	
Operating Income	<u>\$21,817,744</u>	<u>\$2,217,805</u>	<u>\$19,599,939</u>	
Rate Base	<u>\$389,478,086</u>	<u>\$57,484,505</u>	<u>\$331,993,581</u>	Rule 20:10:13:96 Statement M
Rate of Return	<u>5.602%</u>	<u>3.858%</u>	<u>5.904%</u>	

MONTANA-DAKOTA UTILITIES CO.
RATE BASE
GAS UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	South Dakota	Other	Reference
Gas Plant in Service	\$712,065,768	\$142,366,530	\$569,699,238	Rule 20:10:13:54
Accumulated Reserve for Depreciation	313,080,282	74,178,704	238,901,577	Rule 20:10:13:64
Net Gas Plant in Service	<u>398,985,486</u>	<u>68,187,826</u>	<u>330,797,660</u>	
Additions				
Materials and Supplies	\$4,604,728	\$1,048,913	\$3,555,815	Rule 20:10:13:68
Fuel Stocks	21,795	0	21,795	
Gas in Underground Storage	9,185,328	0	9,185,328	
Prepayments	5,053,652	41,836	5,011,816	Rule 20:10:13:68
Unamortized Gain/Loss on Debt	435,830	64,736	371,094	Rule 20:10:13:68
Other	64,659,711	13,093	64,646,618	Rule 20:10:13:68
Total Additions	<u>\$83,961,042</u>	<u>\$1,168,578</u>	<u>\$82,792,464</u>	
Total Before Deductions	\$482,946,528	\$69,356,404	\$413,590,124	
Deductions				
Accumulated Deferred Income Taxes	\$61,962,971	\$8,982,507	52,980,464	Rule 20:10:13:88
Customer Advances	11,595,417	2,889,392	8,706,025	Rule 20:10:13:68
Other Deductions	19,910,055	0	19,910,055	
Total Deductions	<u>\$93,468,442</u>	<u>\$11,871,899</u>	<u>\$61,686,489</u>	
Total Rate Base	<u><u>\$389,478,086</u></u>	<u><u>\$57,484,505</u></u>	<u><u>\$351,903,636</u></u>	

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF PRO FORMA ADJUSTMENTS
GAS UTILITY - SOUTH DAKOTA

	Adjustment No.	Pro Forma Adjustment	Reference
Revenue			
Current rates	1	(\$6,900,925)	Rule 20:10:13:85 Statement I, page 3
Annualized	2	(3,899,674)	Rule 20:10:13:85 Statement I, page 4
Other Revenue	3	(241,038)	Rule 20:10:13:85 Statement I, page 5
Total adjustments to Revenue		<u>(\$11,041,637)</u>	
Expenses			
Cost of Gas	4	(\$10,096,201)	Rule 20:10:13:81 Schedule H-1, page 3
Other O&M			
Labor	5	\$661,045	Rule 20:10:13:81 Schedule H-1, page 4
Benefits	6	176,252	Rule 20:10:13:81 Schedule H-1, page 7
Vehicles & Work Equipment	7	752,155	Rule 20:10:13:81 Schedule H-1, page 9
Subcontract Labor	8	212,361	Rule 20:10:13:81 Schedule H-1, page 10
Materials	9	41,345	Rule 20:10:13:81 Schedule H-1, page 11
Software Maintenance	10	50,196	Rule 20:10:13:81 Schedule H-1, page 12
Company Consumption	11	(9,317)	Rule 20:10:13:81 Schedule H-1, page 13
Uncollectible Accounts	12	(40,503)	Rule 20:10:13:81 Schedule H-1, page 14
Postage	13	24,368	Rule 20:10:13:81 Schedule H-1, page 15
Advertising	14	(38,916)	Rule 20:10:13:81 Schedule H-1, page 16
Insurance	15	69,720	Rule 20:10:13:81 Schedule H-1, page 17
Industry Dues	16	(146)	Rule 20:10:13:81 Schedule H-1, page 19
Regulatory Commission Expense	17	125,132	Rule 20:10:13:81 Schedule H-1, page 20
Office Supplies Expense	18	2,146	Rule 20:10:13:81 Schedule H-1, page 21
Easements	19	5,036	Rule 20:10:13:81 Schedule H-1, page 22
All Other	20	(100,425)	Rule 20:10:13:81 Schedule H-1, page 23
Total adjustments to Other O&M		<u>\$1,930,449</u>	
Depreciation Expense	21	(\$23,249)	Rule 20:10:13:86 Statement J, page 1
Taxes Other than Income			
Ad Valorem	22	\$49,674	Rule 20:10:13:95 Schedule L-1, page 1
Payroll Taxes	23	44,654	Rule 20:10:13:95 Schedule L-1, page 3
Gross Revenue Tax	24	21,151	Rule 20:10:13:95 Schedule L-1, page 4
Total adj. to Taxes Other than Income		<u>\$115,479</u>	
Current Income Taxes			
Interest Annualization	25	\$294,669	Rule 20:10:13:88 Statement K, page 9
Book/Tax Depreciation on Plant	26	(793,731)	Rule 20:10:13:88 Statement K, page 10
Income Taxes on Pro Forma Adj.	27	(518,501)	Rule 20:10:13:88 Statement K, page 11
Elimination of Closing/Filing	28	(7,713)	Rule 20:10:13:88 Statement K, page 12
Total adj. to Current Income Taxes		<u>(\$526,214)</u>	
Deferred Income Taxes			
Deferred Income Taxes on Plant	26	(\$166,683)	Rule 20:10:13:88 Statement K, page 10
Plant Excess Deferred Taxes - ARAM	29	(51,210)	Rule 20:10:13:88 Statement K, page 13
Elimination of Closing/Filing	28	(14,708)	Rule 20:10:13:88 Statement K, page 12
Total adj. to Deferred Income Taxes		<u>(\$232,601)</u>	
Total Expenses		<u>(\$8,832,337)</u>	
Net Adjustments to Operating Income		<u><u>(\$2,209,300)</u></u>	

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - SOUTH DAKOTA
SUMMARY OF PRO FORMA RATE BASE ADJUSTMENTS

<u>Plant</u>	<u>Adjustment</u>	<u>Total South Dakota</u>	<u>Reference</u>
Plant Additions	A	\$10,302,867	Rule 20:10:13:54
<u>Accumulated Reserve</u>			
Plant Additions	B	(11,623)	Rule 20:10:13:64
Adjustments to Net Plant		\$10,314,490	
<u>Additions:</u>			
Materials and Supplies	C	\$47,973	Rule 20:10:13:69
Prepaid Insurance	D	135,521	Rule 20:10:13:69
Unamortized Gain/Loss on Debt	E	(12,908)	Rule 20:10:13:69
Unamortized Redemption of Preferred Stock	F	(1,257)	Rule 20:10:13:69
Unamortized Rate Case Expense	G	612,533	Rule 20:10:13:69
Provision for Pension & Benefits	H	8,786,099	Rule 20:10:13:69
Provision for Post Retirement	I	2,058,855	Rule 20:10:13:69
Cash Working Capital	J	(395,430)	Rule 20:10:13:69
Total Additions		\$11,231,386	
<u>Deductions:</u>			
Accumulated Def. Inc. Tax			
Liberalized Depreciation	L	(\$166,683)	Rule 20:10:13:88
Excess Deferred Taxes - ARAM	L	(250,856)	Rule 20:10:13:88
Contribution in Aid of Construction	L	0	Rule 20:10:13:88
Unamortized Loss on Debt	L	(2,711)	Rule 20:10:13:88
Unamortized Rate Case Expense	L	128,632	Rule 20:10:13:88
Provision for Pension Benefits	L	1,748,794	Rule 20:10:13:88
Provision for Post Retirement	L	411,455	Rule 20:10:13:88
Customer Advances	L	(34,768)	Rule 20:10:13:69
Adjustments to Acc. DITs		1,833,863	
Customer Advances for Construction	K	85,521	Rule 20:10:13:69
Total Deductions		\$1,919,384	
Total Pro Forma Adjustments		\$19,626,492	

**MONTANA-DAKOTA UTILITIES CO.
 PRO FORMA INCOME STATEMENT
 GAS UTILITY - SOUTH DAKOTA
 TWELVE MONTHS ENDED DECEMBER 31, 2022**

	<u>South Dakota</u>	<u>Pro Forma Adjustments</u>	<u>Total Adjusted Amount</u>
Operating Revenues			
Sales	\$76,860,156	(\$10,804,286)	\$66,055,870
Transportation	395,555	3,687	399,242
Other	749,202	(241,038)	508,164
Total Revenues	<u>\$78,004,913</u>	<u>(\$11,041,637)</u>	<u>\$66,963,276</u>
Operating Expenses			
Operation and Maintenance			
Cost of Gas	\$56,883,532	(\$10,096,201)	\$46,787,331
Other O&M	12,592,175	1,930,449	14,522,624
Total O&M	<u>\$69,475,707</u>	<u>(\$8,165,752)</u>	<u>\$61,309,955</u>
Depreciation	5,196,612	(23,249)	5,173,363
Taxes Other Than Income	1,180,705	115,479	1,296,184
Current Income Taxes	355,919	(526,214)	(170,295)
Deferred Income Taxes	(421,835)	(232,601)	(654,436)
Total Expenses	<u>\$75,787,108</u>	<u>(\$8,832,337)</u>	<u>\$66,954,771</u>
Operating Income	<u>\$2,217,805</u>	<u>(\$2,209,300)</u>	<u>\$8,505</u>
Rate Base	<u>\$57,484,505</u>	<u>\$19,626,492</u>	<u>\$77,110,997</u>
Rate of Return	<u>3.858%</u>		<u>0.011%</u>

MONTANA-DAKOTA UTILITIES CO.
RATE BASE
GAS UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022
PRO FORMA

	Total South Dakota	Pro Forma Adjustments	Pro Forma
Gas Plant in Service	\$142,366,530	\$10,302,867	\$152,669,397
Accumulated Reserve for Depr.	74,178,704	(11,623)	74,167,081
Net Gas Plant in Service	<u>\$68,187,826</u>	<u>\$10,314,490</u>	<u>\$78,502,316</u>
Additions			
Materials and Supplies	\$1,048,913	\$47,973	\$1,096,886
Prepaid Insurance	41,836	135,521	177,357
Unamortized Gain/Loss on Debt	64,736	(12,908)	51,828
Unamortized Redemption of Preferred Stock	13,093	(1,257)	11,836
Unamortized Rate Case Expense		612,533	612,533
Provision for Pension and Benefits		8,786,099	8,786,099
Provision for Post Retirement		2,058,855	2,058,855
Cash Working Capital		(395,430)	(395,430)
Total Additions	<u>\$1,168,578</u>	<u>\$11,231,386</u>	<u>\$12,399,964</u>
Total Before Deductions	\$69,356,404	\$21,545,876	\$90,902,280
Deductions			
Accumulated Deferred Income Taxes	\$8,982,507	\$1,833,863	\$10,816,370
Customer Advances	2,889,392	85,521	2,974,913
Total Deductions	<u>\$11,871,899</u>	<u>\$1,919,384</u>	<u>\$13,791,283</u>
Total Rate Base	<u><u>\$57,484,505</u></u>	<u><u>\$19,626,492</u></u>	<u><u>\$77,110,997</u></u>

MONTANA-DAKOTA UTILITIES CO.
PROJECTED OPERATING INCOME AND RATE OF RETURN
REFLECTING ADDITIONAL REVENUE REQUIREMENTS
GAS UTILITY - SOUTH DAKOTA

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$66,055,870	\$7,418,636	\$73,474,506
Transportation	399,242		399,242
Other	508,164		508,164
Total Revenues	66,963,276	7,418,636	74,381,912
Operating Expenses			
Operation and Maintenance			
Cost of Gas	46,787,331		46,787,331
Other O&M	14,522,624		14,522,624
Total O&M	61,309,955		61,309,955
Depreciation	5,173,363		5,173,363
Taxes Other Than Income	1,296,184	11,128 2/	1,307,312
Current Income Taxes	(170,295)	1,555,577 2/	1,385,282
Deferred Income Taxes	(654,436)		(654,436)
Total Expenses	66,954,771	1,566,705	68,521,476
Operating Income	\$8,505	\$5,851,931	\$5,860,436
Rate Base	\$77,110,997		\$77,110,997
Rate of Return	0.011%		7.600%

1/ See Rule 20:10:13:96, page 5.

2/ Reflects taxes at 21 percent after deducting South Dakota Gross Receipts tax of 0.15 percent.