

**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.