

2008 Actual

C1-1

South Dakota

	<u>Rate</u>	<u>Ratio</u>	<u>Weighted Cost</u>
Long Term Debt	6.6400%	48.3700%	3.21000%
Short Term Debt	0.0000%	0.0000%	0.00000%
Preferred Stock	0.0000%	0.0000%	0.00000%
Common Equity	11.2500%	51.6300%	5.81000%
Required Rate of Return			9.02000%
3.60 Series Preferred	3.6000%	0.0000%	
3.60 Series Preferred Deductible Portion		40.0000%	

COST OF CAPITAL SUMMARY

Privileged and Confidential

C1-2

Weighted Cost of Capital
 2008 YEAR END ACTUAL - Rate Case
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JURISDICTION	Capital Employed		Capital Ratios	Cost of Capital	Weighted Avg Cost of Debt	Weighted Cost of Capital
Common Equity at 11.25		Debt %				
LT Debt	2,820,676	100.0000%	48.37%	6.64%	6.6400%	3.2100%
ST Debt	0	0.0000%	0.00%	0.00%	0.0000%	0.0000%
Total Debt	2,820,676	100.0000%	48.3696%	6.64%	6.6400%	3.2100%
Common Equity	3,010,827		51.63%	11.25%		5.8100%
Total Equity	3,010,827		51.6304%			5.8100%
Total Capital	5,831,503		100.0000%			9.0200%