

MONTANA-DAKOTA UTILITIES CO.  
 OPERATION & MAINTENANCE EXPENSE  
 ELECTRIC UTILITY - SOUTH DAKOTA  
 TWELVE MONTHS ENDING DECEMBER 31, 2014  
 PRO FORMA

Function	Total	Cost of Fuel & Purchased Power	Labor	Benefits	Incremental Labor & Benefits	Heskett Station Unit III	L&C Station RICE & MATS
Cost of Fuel & Purchased Power	\$3,895,338	\$3,848,035	\$32,875				
Production	1,656,515		477,274		\$32,092	\$16,441	\$22,069
Transmission	1,362,277		319,339				
Distribution	1,098,534		769,944				
Customer Accounting	321,750		188,121				
Customer Service & Information	24,450		14,387				
Sales	22,042		18,562				
Administrative and General	1,660,071		399,536	\$567,966	11,954	1,526	4,382
Total Other O&M	6,145,639	0	2,187,163	567,966	44,046	17,967	26,451
Total O&M	<u>\$10,040,977</u>	<u>\$3,848,035</u>	<u>\$2,220,038</u>	<u>\$567,966</u>	<u>\$44,046</u>	<u>\$17,967</u>	<u>\$26,451</u>

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MONTANA-DAKOTA UTILITIES CO.  
 OPERATION & MAINTENANCE EXPENSE  
 ELECTRIC UTILITY - SOUTH DAKOTA  
 TWELVE MONTHS ENDING DECEMBER 31, 2014  
 PRO FORMA

Function	Thunder Spirit Wind Generation	Facility Charge	Subcontract Labor	Big Stone/ Coyote	Materials	Sand	Reagent
Cost of Fuel & Purchased Power			\$6,980		\$1,643		
Production	\$139,204		185,134	\$563,937	100,190	\$40,622	\$0
Transmission		\$0	842,170		76,466		
Distribution		0	118,185		49,092		
Customer Accounting			10,021		134		
Customer Service & Information Sales							
Administrative and General	2,983		65,839		8,295		
Total Other O&M	142,187	0	1,221,349	563,937	234,177	40,622	0
Total O&M	<u>\$142,187</u>	<u>\$0</u>	<u>\$1,228,329</u>	<u>\$563,937</u>	<u>\$235,820</u>	<u>\$40,622</u>	<u>\$0</u>
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MONTANA-DAKOTA UTILITIES CO.  
OPERATION & MAINTENANCE EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
PRO FORMA

Function	Vehicles & Work Equip.	Communications	Company Consumption	Postage	Uncollectible Accounts	Advertising	Insurance
Cost of Fuel & Purchased Power	\$0						
Production	3,814	\$9,008	\$1,604	\$301			
Transmission	42,979	16,727	737	7			
Distribution	174,473	11,643	15,094	327			
Customer Accounting	24,545	5,751		30,153	\$40,520		
Customer Service & Information	68	117				\$9,168	
Sales	457	1,573		46		0	
Administrative and General	2,676	27,464	10,868	14,606		12,507	\$141,420
Total Other O&M	249,012	72,283	28,303	45,440	40,520	21,675	141,420
Total O&M	<u>\$249,012</u>	<u>\$72,283</u>	<u>\$28,303</u>	<u>\$45,440</u>	<u>\$40,520</u>	<u>\$21,675</u>	<u>\$141,420</u>
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MONTANA-DAKOTA UTILITIES CO.  
OPERATION & MAINTENANCE EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
PRO FORMA

Function	Software Maintenance	Industry Dues	Rent Expense	Annual Easements	Regulatory Commission	Regional Market Expense	All Other O&M
Cost of Fuel & Purchased Power							\$5,805
Production	\$19,708		\$1,284	\$8,881			34,952
Transmission	11,908			1,252		\$29,556	21,136
Distribution	5,988		12,105	3,192			(61,509)
Customer Accounting	3,360						19,145
Customer Service & Information							710
Sales							1,404
Administrative and General	43,095	\$10,696	32,211		\$118,584		183,463
Total Other O&M	84,059	10,696	45,600	13,325	118,584	29,556	199,301
Total O&M	<u>\$84,059</u>	<u>\$10,696</u>	<u>\$45,600</u>	<u>\$13,325</u>	<u>\$118,584</u>	<u>\$29,556</u>	<u>\$205,106</u>
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**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER  
ELECTRIC UTILITY - SOUTH DAKOTA  
PRO FORMA ADJUSTMENT NO. 4**

	Per Books 1/		Pro Forma		Pro Forma
	Total 2/	South Dakota	Total 2/	South Dakota	Adjustment
Fuel Expense					
Acct. 501	\$47,318,443	\$2,405,085	\$49,558,420	\$2,540,459	
Acct. 502 - Reagent	0	0	1,984,630	101,736	
Acct. 547	1,673,424	89,466	1,556,750	79,802	
Total Fuel Expense	48,991,867	2,494,551	53,099,800	2,721,997	
Purchased Power / Pipeline Charges					
Energy	27,853,938	1,365,772	18,791,970	963,312	
Energy - Ft. Peck	475,515	0	475,630	0	
Demand	8,470,002	232,363	632,430	32,638	
Heskett III Pipeline Charges	1,144,236	61,141	2,520,750	130,088	
Total Purchased Power/Pipeline Charges	37,943,691	1,659,276	22,420,780	1,126,038	
Other					
Deferred Fuel & Purchased Power	1,518,982	0	0	0	
Allowances - Acct. 509	53	0	0	0	
Total	<u>\$88,454,593</u>	<u>\$4,153,827</u>	<u>\$75,520,580</u>	<u>\$3,848,035</u>	<u>(\$305,792)</u>
Fuel & Purchased Power - Sales for Resale	<u>502,697</u>	<u>26,876</u>	<u>0</u>	<u>0</u>	
Net Fuel & Purchased Power	<u>\$87,951,896</u>	<u>\$4,126,951</u>	<u>\$75,520,580</u>	<u>\$3,848,035</u>	
Kwh Sales		155,418,344		153,921,399	
Cost/Kwh		<u>\$0.02655</u>		<u>\$0.02500</u>	

1/ Excludes non-fuel expenses that are recorded in the Fuel & Purchased Power account.

2/ Reflects integrated system only. Wyoming fuel & purchased power costs are excluded.

**MONTANA-DAKOTA UTILITIES CO.  
ELECTRIC UTILITY - SOUTH DAKOTA  
LABOR EXPENSE  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 5**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Fuel and Purchased Power	\$587,090	\$31,388	\$32,875	\$1,487
Production	8,473,208	455,690	477,274	21,584
Transmission	3,698,339	304,898	319,339	14,441
Distribution	9,678,831	735,125	769,944	34,819
Customer Accounting	2,201,357	179,614	188,121	8,507
Customer Service	97,591	13,736	14,387	651
Sales	95,664	17,723	18,562	839
A & G	5,643,174	381,468	399,536	18,068
Total	<u>\$30,475,254</u>	<u>\$2,119,642</u>	<u>\$2,220,038</u>	<u>\$100,396</u>

1/ Reflects a 4.74% increase including an average 2012-2014 bonus and incentive compensation.

**MONTANA-DAKOTA UTILITIES CO.  
BENEFITS EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 6**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Other Benefits	\$88,783	\$7,387	\$7,737	\$350
Medical/Dental	3,232,922	242,685	252,635	9,950
Pension expense	212,078	16,622	39,279	22,657
Post-retirement	(179,853)	(11,144)	29,647	40,791
401-K	3,021,994	215,707	225,932	10,225
Workers compensation	179,029	12,160	12,736	576
Total	<u>\$6,554,953</u>	<u>\$483,417</u>	<u>\$567,966</u>	<u>\$84,549</u>

1/ Medical reflects an increase of 4.10% based on effective 2015 medical premiums. Pension and post-retirement reflect an increase of 136.31% and 166.04%, respectively, based on an actuarial study. 401K reflects the labor increase of 4.74%. Workers compensation expense is based on the ratio of 2014 workers compensation to 2014 labor expense. Other benefits was increased based on the increase in labor.

**MONTANA-DAKOTA UTILITIES CO.  
INCREMENTAL LABOR & BENEFITS  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 7**

	Pro Forma		
	Total		
	Company	South Dakota	Adjustment
Production - Labor 1/	\$622,695	\$32,092	\$32,092
A&G - Associated Benefits 2/	231,954	11,954	11,954
Total	<u>\$854,649</u>	<u>\$44,046</u>	<u>\$44,046</u>

1/ Represents incremental labor costs related to additional positions in the Power Production Department, combustion turbines, and existing wind facilities.

2/ Benefits based on pro forma labor loading percentage.



**MONTANA-DAKOTA UTILITIES CO.  
HESKETT STATION - UNIT III: COMBUSTION TURBINE  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 8**

	Pro Forma 1/		
	Total Company	South Dakota 2/	Adjustment
Labor	\$79,394	\$4,097	\$4,097
Benefits	29,574	1,526	1,526
Subcontract Labor	110,500	5,703	5,703
Materials	104,500	5,393	5,393
Office Supplies	4,000	206	206
Permits and Filing Fees	8,200	423	423
Safety and Other Employee Training	12,000	619	619
	<u>\$348,168</u>	<u>\$17,967</u>	<u>\$17,967</u>

1/ Pro forma represents increases to reflect a full-year of operations.

2/ Allocated on Factor 15: Integrated System Peak Demand.

**MONTANA-DAKOTA UTILITIES CO.  
LEWIS & CLARK STATION - RICE UNIT & MATS (ENVIRONMENTAL UPGRADE)  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 9**

	Pro Forma 1/		
	Total		
	Company	South Dakota 2/	Adjustment
Labor	\$227,971	\$11,765	\$11,765
Benefits	84,919	4,382	4,382
Subcontract Labor	88,500	4,567	4,567
Materials	99,170	5,118	5,118
Office Supplies	2,000	103	103
Other Employee Training	10,000	516	516
	<u>\$512,560</u>	<u>\$26,451</u>	<u>\$26,451</u>

1/ Pro forma represents increases to reflect a full-year of operations.

2/ Allocated on Factor 15: Integrated System Peak Demand.

**MONTANA-DAKOTA UTILITIES CO.  
THUNDER SPIRIT - WIND GENERATION  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 10**

	Pro Forma 1/		
	Total		
	Company	South Dakota 2/	Adjustment
Labor	\$156,000	\$8,008	\$8,008
Benefits	58,110	2,983	2,983
Subcontract Labor	1,762,945	90,494	90,494
Materials	42,945	2,204	2,204
Annual Easements	500,000	25,665	25,665
Insurance - Property & Liability	250,000	12,833	12,833
	<u>\$2,770,000</u>	<u>\$142,187</u>	<u>\$142,187</u>

1/ Pro forma reflects a full-year of operations.

2/ Allocated on Factor 271: Integrated Peak and Energy.

**MONTANA-DAKOTA UTILITIES CO.  
FACILITY CHARGE  
ELECTRIC UTILITY - SOUTH DAKOTA  
ADJUSTMENT NO. 11**

	Per Books		Pro Forma 1/		
	Total Company	South Dakota	Total Company	South Dakota	Pro Forma Adjustment
Transmission	\$1,944,454	\$256,576	\$0	\$0	(\$256,576)
Distribution	22,754	(786)	0	0	786
	<u>\$1,967,208</u>	<u>\$255,790</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$255,790)</u>

- 1/ Facility charge (or joint use) costs will cease due to the elimination of the common use agreement between Basin Electric Cooperative and Montana-Dakota Utilities Co. with Basin Electric becoming a member of the Southwest Power Pool.

**MONTANA-DAKOTA UTILITIES CO.  
SUBCONTRACT LABOR  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 12**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota	Adjustment
Fuel & Purchased Power	\$130,566	\$6,980	\$6,980	\$0
Production 1/	2,802,490	150,187	185,134	34,947
Transmission 2/	6,950,461	379,421	842,170	462,749
Distribution	3,283,898	144,082	118,185	(25,897)
Customer Accounting	124,897	8,633	10,021	1,388
Administrative and General	818,730	64,600	65,839	1,239
Total Subcontract Labor	<u>\$14,111,042</u>	<u>\$753,903</u>	<u>\$1,228,329</u>	<u>\$474,426</u>

1/ Pro Forma Production excludes incremental subcontract labor reflected in Adjustment Nos. 8, 9 and 10.

2/ Transmission excludes Regional Market Expense reflected in Adjustment No. 29.

**MONTANA-DAKOTA UTILITIES CO.  
BIG STONE AND COYOTE GENERATION UNITS  
PRODUCTION OPERATING AND MAINTENANCE EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 13**

	Per Books 1/		Pro Forma 1/		
	Total Company	South Dakota	Total Company	South Dakota	Adjustment 2/
Big Stone	\$3,455,445	\$187,989	\$5,727,270	\$305,231	\$117,242
Coyote	4,480,591	243,494	4,775,350	258,706	15,212
	<u>\$7,936,036</u>	<u>\$431,483</u>	<u>\$10,502,620</u>	<u>\$563,937</u>	<u>\$132,454</u>

1/ Excludes Cost of Fuel and Reagent reflected in Adjustment No. 4.

2/ Allocated on Factor 15: Integrated System Peak Demand.

**MONTANA-DAKOTA UTILITIES CO.  
MATERIALS  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 14**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota	Adjustment
Fuel & Purchased Power	\$30,728	\$1,643	\$1,643	\$0
Production	1,805,331	98,472	100,190	1,718
Transmission	439,130	94,520	76,466 1/	(18,054)
Distribution	1,142,553	47,820	49,092	1,272
Customer Accounting	1,847	133	134	1
A&G	116,288	8,078	8,295	217
Total	<u>\$3,535,877</u>	<u>\$250,666</u>	<u>\$235,820</u>	<u>(\$14,846)</u>

1/ Removal of non-recurring expenses.

**MONTANA-DAKOTA UTILITIES CO.  
HESKETT II SAND - PRODUCTION EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 15**

	<u>Per Books</u>		<u>Pro Forma 1/</u>	
	<u>Total</u>	<u>South Dakota</u>	<u>South Dakota 2/</u>	<u>Adjustment</u>
<u>Company</u>				
Production	<u>\$618,317</u>	<u>\$33,752</u>	<u>\$40,622</u>	<u>\$6,870</u>

1/ Sand contract price is increasing significantly in 2015 to \$38.50 a ton. Annual usage is approx. 20,445 tons of sand.

2/ Allocated on Factor 15: Integrated System Peak Demand.



**MONTANA-DAKOTA UTILITIES CO.  
REAGENT - PRODUCTION EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 16**

	Per Books		Pro Forma 1/		
	Total Company	South Dakota	Total Company	South Dakota 2/	Adjustment
Big Stone	\$0	\$0	\$1,017,869	\$0	\$0
Coyote	413,109	22,546	523,935	0	(22,546)
Lewis & Clark	370,543	19,897	426,625	0	(19,897)
Lewis & Clark - RICE	0	0	16,200	0	0
Total Production	<u>\$783,652</u>	<u>\$42,443</u>	<u>\$1,984,629</u>	<u>\$0</u>	<u>(\$42,443)</u>

1/ Based on engineering cost estimates.

2/ Included in Fuel & Purchased Power - Adjustment No. 4.

**MONTANA-DAKOTA UTILITIES CO.  
VEHICLES AND WORK EQUIPMENT  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 17**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Fuel and Purchased Power	\$4	\$0	\$0	\$0
Production	66,155	3,585	3,814	229
Transmission	212,642	40,398	42,979	2,581
Distribution	1,446,083	163,996	174,473	10,477
Customer Accounting	153,004	23,072	24,545	1,473
Customer Service	1,236	64	68	4
Sales	2,934	430	457	27
A & G	37,117	2,515	2,676	161
Total Company Vehicles	<u>\$1,919,175</u>	<u>\$234,060</u>	<u>\$249,012</u>	<u>\$14,952</u>

1/ Based on pro forma plant and proposed depreciation rates.

**MONTANA-DAKOTA UTILITIES CO.  
COMMUNICATIONS  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 18**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota	Adjustment
Production	\$164,488	\$9,008	\$9,008	\$0
Transmission	220,823	16,933	16,727	(206)
Distribution	259,232	12,495	11,643	(852)
Customer Accounting	70,391	7,666	5,751	(1,915)
Customer Service & Information	522	186	117	(69)
Sales	5,681	2,473	1,573	(900)
A & G	422,379	28,504	27,464	(1,040)
Total Company Vehicles	<u>\$1,143,516</u>	<u>\$77,265</u>	<u>\$72,283</u>	<u>(\$4,982)</u>

**MONTANA-DAKOTA UTILITIES CO.  
COMPANY CONSUMPTION  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 19**

	Per Books - Total		Pro Forma	
	Electric Utility	South Dakota	South Dakota	Adjustment
Production	\$37,415	\$2,074	\$1,604	(\$470)
Transmission	17,857	635	737	102
Distribution	280,376	14,258	15,094	836
A & G	149,046	10,060	10,868	808
Total	<u>\$484,694</u>	<u>\$27,027</u>	<u>\$28,303</u>	<u>\$1,276</u>

	Per Books - Electric		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Production	\$834	\$46	\$56	\$10
Transmission	16,952	565	684	119
Distribution	169,617	9,402	11,387	1,985
A & G	105,514	7,122	8,625	1,503
Total Electric	<u>\$292,917</u>	<u>\$17,135</u>	<u>\$20,752</u>	<u>\$3,617</u>

	Per Books - Gas		Pro Forma	
	Electric Utility	South Dakota	South Dakota 2/	Adjustment
Production	\$36,581	\$2,028	\$1,548	(\$480)
Transmission	905	70	53	(17)
Distribution	110,759	4,856	3,707	(1,149)
A & G	43,532	2,938	2,243	(695)
Total Gas	<u>\$191,777</u>	<u>\$9,892</u>	<u>\$7,551</u>	<u>(\$2,341)</u>

1/ Reflects an increase of 21.11% reflecting authorized rates plus the requested rate increase.

2/ Reflects a decrease of 23.67% reflecting normal weather and June 2015 cost of gas.

**MONTANA-DAKOTA UTILITIES CO.  
POSTAGE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 20**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Production	\$5,550	\$298	\$301	\$3
Transmission	90	7	7	0
Distribution	7,438	324	327	3
Customer Accounting	471,377	29,989	30,153	164
Sales	184	46	46	0
A & G	214,416	14,473	14,606	133
Total Postage Expense	<u>\$699,055</u>	<u>\$45,137</u>	<u>\$45,440</u>	<u>\$303</u>

1/ Increased rate partially offset by increased use of E-bills.

**MONTANA-DAKOTA UTILITIES CO.  
UNCOLLECTIBLE ACCOUNTS  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 21**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Transmission	\$91	\$0	\$0	\$0
Distribution	2,458	132	0	(132)
Customer Accounting	775,317	45,701	40,520	(5,181)
Total Uncollectible Accounts	<u>\$777,866</u>	<u>\$45,833</u>	<u>\$40,520</u>	<u>(\$5,313)</u>

1/ Based on three year average of write-offs to pro forma revenues, including the additional revenue requirement.

**MONTANA-DAKOTA UTILITIES CO.  
ADVERTISING EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 22**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Informational	\$147,715	\$9,161	\$9,168	\$7
Promotional	46,860	1,860	0	(1,860)
Institutional	73,527	13,669	12,507	(1,162)
Total	<u>\$268,102</u>	<u>\$24,690</u>	<u>\$21,675</u>	<u>(\$3,015)</u>

1/ Eliminates promotional advertising and informational and institutional expenses not applicable to South Dakota electric operations.

**MONTANA-DAKOTA UTILITIES CO.  
INSURANCE EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 23**

A&G Expense for Insurance	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Director's & Officer's Liability Insurance	\$108,291	\$7,310	\$7,470	\$160
Excess Liability:				
Fiduciary & Employee Benefits Liability	19,008	1,283	1,363	80
Public Liab. & Property Ins. Damage of Others	757,958	51,163	58,925	7,762
All Risk	579,090	39,089	39,178	89
Blanket Crime	4,378	295	347	52
Special Contingency	565	38	36	(2)
Hired and Non-owned Aircraft Liability	145	10	9	(1)
Self Insurance	94,155	6,356	13,442	7,086
Coyote Insurance	178,623	12,057	9,659	(2,398)
Big Stone Insurance	156,465	10,561	10,991	430
Total	<u>\$1,898,678</u>	<u>\$128,162</u>	<u>\$141,420</u>	<u>\$13,258</u>

1/ Adjusted to reflect insurance expense at current levels.



**MONTANA-DAKOTA UTILITIES CO.  
SOFTWARE MAINTENANCE EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 24**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Production	\$368,372	\$19,708	\$19,708	\$0
Transmission	156,046	11,908	11,908	0
Distribution	111,635	5,456	5,988	532
Customer Accounting	47,787	3,033	3,360	327
A & G	607,840	41,030	43,095	2,065
Total	<u>\$1,291,680</u>	<u>\$81,135</u>	<u>\$84,059</u>	<u>\$2,924</u>

1/ Increase in software fees and fixed network expenses.

**MONTANA-DAKOTA UTILITIES CO.  
INDUSTRY DUES  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 25**

	South Dakota		Pro Forma Adjustment
	Per Books	Pro Forma	
Chamber of Commerce - Ashley	\$50	\$0	(\$50)
Chamber of Commerce - Dickinson	8	0	(8)
Chamber of Commerce - Ellendale	124	0	(124)
Chamber of Commerce - Eureka	44	75 1/	31
Chamber of Commerce - Gettysburg	71	120	49
Chamber of Commerce - Hettinger	3	0	(3)
Chamber of Commerce - Mobridge	177	300	123
Consortium for Energy Efficiency	165	165	0
Dickinson Area Builders	17	0	(17)
Edison Electric Institute	5,719	5,962 1/	243
Energy Solutions Center	338	338	0
Hoven Service Club	45	95 1/	50
Ipswich Commercial Club	24	30 1/	6
Lignite Energy Council	7,676	0	(7,676)
Linton Industrial Development	24	0	(24)
Linton Lions Club	38	0	(38)
Midcontinent Independent	68	64 1/	(4)
Midwest Energy Association, Inc.	510	441 1/	(69)
National Association of Regulatory Commissions	341	341	0
National Energy & Utility Affordability Coalition	4	4	0
North Central Electric Association	777	777	0
ND Alliance for Renewable Energy	34	0	(34)
North American Transmission Forum	0	1,745 1/	1,745
Selby Community Club	25	42 1/	17
Selby Lions Club	84	0	(84)
South Dakota Electric Council	24	40	16
South Dakota Electric Utility	17,927	0	(17,927)
United Telecom Council (UTC) 2/	157	157	0
Wishek Association of Commerce	32	0	(32)
Other	1,292	0	(1,292)
Total	<u>\$35,798</u>	<u>\$10,696</u>	<u>(\$25,102)</u>

- 1/ Pro Forma reflects actual amounts for those invoices that have been received as of March 31, 2015.  
2/ United Telecom is an organization that represents utilities and provides information to ensure compliance with FCC regulations. Montana-Dakota utilizes their services in order to operate its radio and RF networks.

**MONTANA-DAKOTA UTILITIES CO.  
RENT EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 26**

	South Dakota		Pro Forma Adjustment
	Per Books	Pro Forma	
Production	\$1,284	\$1,284	\$0
Distribution	12,105	12,105	0
A & G	30,270	32,211 1/	1,941
Total	<u>\$43,659</u>	<u>\$45,600</u>	<u>\$1,941</u>

1/ Reflects increase for additional office space in Bismarck, ND.

**MONTANA-DAKOTA UTILITIES CO.  
ANNUAL EASEMENTS  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 27**

	South Dakota		Pro Forma Adjustment
	Per Books	Pro Forma 1/	
Production	\$15,229	\$8,881	(\$6,348)
Transmission	1,252	1,252	0
Distribution	3,192	3,192	0
Total	<u>\$19,673</u>	<u>\$13,325</u>	<u>(\$6,348)</u>

1/ Per books included two annual payments for Cedar Hills and Diamond Willow wind farms.

MONTANA-DAKOTA UTILITIES CO.  
REGULATORY COMMISSION EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 28

	South Dakota		Pro Forma Adjustment
	Per Books	Pro Forma 1/	
A & G	<u>\$28,032</u>	<u>\$118,584</u>	<u>\$90,552</u>

1/ Reflects five year amortization of projected rate case expense and  
a three year average of ongoing regulatory commission expenses.

**MONTANA-DAKOTA UTILITIES CO.  
REGIONAL MARKET EXPENSE  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014  
ADJUSTMENT NO. 29**

	Per Books		Pro Forma	
	Electric Utility	South Dakota	South Dakota 1/	Adjustment
Transmission	<u>\$393,794</u>	<u>\$21,053</u>	<u>\$29,556</u>	<u>\$8,503</u>

1/ Three year average.

**MONTANA-DAKOTA UTILITIES CO.  
ALL OTHER O & M  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014**

	Per Books O & M	Items Adjusted Individually	All Other O & M
Fuel and Purchased Power	\$4,199,643	\$4,193,838	\$5,805
Production	1,298,165	1,263,213	34,952
Transmission	1,148,737	1,127,601	21,136
Distribution	1,076,690	1,138,199	(61,509)
Customer Accounting	316,986	297,841	19,145
Customer Service	23,857	23,147	710
Sales	23,936	22,532	1,404
A & G	1,453,539	1,270,076	183,463
Total Other O & M	\$5,341,910	\$5,142,609	\$199,301
Total O & M	<u>\$9,541,553</u>	<u>\$9,336,447</u>	<u>\$205,106</u>

MONTANA-DAKOTA UTILITIES CO.  
ITEMS ADJUSTED INDIVIDUALLY  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014

Function	Per Books	Cost of Fuel & Purchased Power	Labor	Benefits	Incremental Labor & Benefits	Heskett Station Unit III	L&C Station RICE & MATS
Cost of Fuel & Purchased Power	\$4,199,643	\$4,153,827	\$31,388				
Production	1,298,165		455,690		\$0	\$0	\$0
Transmission	1,148,737		304,898				
Distribution	1,076,690		735,125				
Customer Accounting	316,986		179,614				
Customer Service & Information	23,857		13,736				
Sales	23,936		17,723				
Administrative and General	1,453,539		381,468	\$483,417			
Total Other O&M	5,341,910	0	2,088,254	483,417	0	0	0
Total O&M	\$9,541,553	\$4,153,827	\$2,119,642	\$483,417	\$0	\$0	\$0



MONTANA-DAKOTA UTILITIES CO.  
ITEMS ADJUSTED INDIVIDUALLY  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014

Function	Thunder Spirit Wind Generation	Facility Charge	Subcontract Labor	Big Stone/ Coyote	Materials	Sand	Reagent
Cost of Fuel & Purchased Power			\$6,980		\$1,643		
Production	\$0		150,187	\$431,483	98,472	\$33,752	\$42,443
Transmission		\$256,576	379,421		94,520		
Distribution		(786)	144,082		47,820		
Customer Accounting			8,633		133		
Customer Service & Information Sales							
Administrative and General			64,600		8,078		
Total Other O&M	0	255,790	746,923	431,483	249,023	33,752	42,443
Total O&M	\$0	\$255,790	\$753,903	\$431,483	\$250,666	\$33,752	\$42,443

MONTANA-DAKOTA UTILITIES CO.  
ITEMS ADJUSTED INDIVIDUALLY  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014

Function	Vehicles & Work Equip.	Communications	Company Consumption	Postage	Uncollectible Accounts	Advertising	Insurance
Cost of Fuel & Purchased Power	\$0						
Production	3,585	\$9,008	\$2,074	\$298			
Transmission	40,398	16,933	635	7			
Distribution	163,996	12,495	14,258	324	\$132		
Customer Accounting	23,072	7,666		29,989	45,701		
Customer Service & Information	64	186				\$9,161	
Sales	430	2,473		46		1,860	
Administrative and General	2,515	28,504	10,060	14,473		13,669	\$128,162
Total Other O&M	234,060	77,265	27,027	45,137	45,833	24,690	128,162
Total O&M	<u>\$234,060</u>	<u>\$77,265</u>	<u>\$27,027</u>	<u>\$45,137</u>	<u>\$45,833</u>	<u>\$24,690</u>	<u>\$128,162</u>

MONTANA-DAKOTA UTILITIES CO.  
ITEMS ADJUSTED INDIVIDUALLY  
ELECTRIC UTILITY - SOUTH DAKOTA  
TWELVE MONTHS ENDING DECEMBER 31, 2014

Function	Software Maintenance	Industry Dues	Rent Expense	Annual Easements	Regulatory Commission	Regional Market Expense	Adjusted Individually	Total items All Other O&M
Cost of Fuel & Purchased Power							\$4,193,838	\$5,805
Production	\$19,708		\$1,284	\$15,229			1,263,213	34,952
Transmission	11,908			1,252		\$21,053	1,127,601	21,136
Distribution	5,456		12,105	3,192			1,138,199	(61,509)
Customer Accounting	3,033						297,841	19,145
Customer Service & Information							23,147	710
Sales							22,532	1,404
Administrative and General	41,030	\$35,798	30,270		\$28,032		1,270,076	183,463
Total Other O&M	81,135	35,798	43,659	19,673	28,032	21,053	5,142,609	199,301
Total O&M	<u>\$81,135</u>	<u>\$35,798</u>	<u>\$43,659</u>	<u>\$19,673</u>	<u>\$28,032</u>	<u>\$21,053</u>	<u>\$9,336,447</u>	<u>\$205,106</u>