

ADIT Proration

| | A | B | C | D |
|---|---|-----------------------|--------|---|
| 1 | | Tax Conversion Factor | 1.5385 | |
| 2 | | Gross Up of Equity % | 7.55% | |
| 3 | | Equity % | 4.90% | |
| 4 | | Gross Up Factor | 2.64% | |

| | | Annual | Monthly |
|----|--|--------|---------|
| 7 | Debt Return % | 2.64% | 0.22% |
| 8 | Equity Return % | 4.90% | 0.41% |
| 9 | Rate of Return | 7.54% | 0.63% |
| 10 | Tax RR on Equity Return | 2.64% | 0.22% |
| 11 | Rate Base Rev Req Gross Up Factor | 10.18% | 0.85% |
| 12 | Monthly Gross Up Factor (D11) Multiplied by SD Factors | | 0.08% |

| | | November 2016 - October 2017 Recovery Period | | | |
|-------|--------------------------------------|--|--|------------------------------------|---------|
| Month | Original ADIT Balance - All Projects | ADIT Prorate Balance - All Projects | Difference due to ADIT Proration (B - A) | Revenue Requirement Impact C * D12 | |
| 17 | Nov-16 | (\$39,797,591) | (\$39,200,080) | \$597,511 | \$505 |
| 18 | Dec-16 | (39,986,667) | (39,200,598) | 786,068 | 664 |
| 19 | Jan-17 | (40,109,475) | (39,311,293) | 798,182 | 674 |
| 20 | Feb-17 | (40,232,274) | (39,410,673) | 821,600 | 694 |
| 21 | Mar-17 | (40,355,042) | (39,497,515) | 857,528 | 724 |
| 22 | Apr-17 | (40,477,811) | (39,572,246) | 905,565 | 765 |
| 23 | May-17 | (40,600,580) | (39,634,462) | 966,117 | 816 |
| 24 | Jun-17 | (40,723,348) | (39,684,569) | 1,038,779 | 877 |
| 25 | Jul-17 | (40,846,117) | (39,722,161) | 1,123,956 | 949 |
| 26 | Aug-17 | (40,968,886) | (39,747,240) | 1,221,646 | 1,032 |
| 27 | Sep-17 | (41,091,654) | (39,760,208) | 1,331,447 | 1,124 |
| 28 | Oct-17 | (\$41,214,423) | (\$39,760,662) | \$1,453,761 | \$1,228 |
| 29 | Total Revenue Requirement Impact | | | \$10,051 | |

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|--|-----------------|
| SD Revenue Requirement Adjustment | \$10,051 |
|--|-----------------|