

**MONTANA-DAKOTA UTILITIES CO.  
ELECTRIC OPERATIONS - SOUTH DAKOTA  
INFRASTRUCTURE RIDER - REVENUE REQUIREMENT**

2016 Amount to be Recovered	\$738,440
2016 Actual Revenue Recovery	<u>(557,020)</u>
2016 (Over)/Under Recovery	\$181,420
2016 Deferred Carrying Charge Balance 1/	3,854
2017 Projected Revenue Requirement	669,599
2017 Projected Carrying Charge 1/	<u>6,191</u>
Amount to be Recovered in 2017	<u><u>\$861,064</u></u>
2017 Sales	<u>151,318,000</u>
2017 Tracker Adjustment per Kwh	<u><u>\$ 0.00569</u></u>
2016 Tracker Adjustment per Kwh	<u><u>\$ 0.00497</u></u>
Change	<u><u>\$ 0.00072</u></u>

1/ Rate equal to Approved ROR of 7.216% in Docket No. EL15-024.

Montana-Dakota Utilities Co.  
 Electric Utility - South Dakota  
 Infrastructure Rider  
 Revenue Requirement - Thunder Spirit Wind  
 Actual 2016

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	2016 Total
<b>Rate Base</b>													
Plant Balance	\$10,597,494	\$10,500,013	\$10,500,013	\$10,415,006	\$10,415,725	\$10,416,670	\$10,418,149	\$10,418,705	\$10,408,181	\$10,410,010	\$10,413,375	\$10,413,375	\$10,413,375
Accumulated Depreciation	34,731	69,443	104,443	138,021	172,126	206,234	240,241	274,253	308,267	342,246	378,057	412,053	308,267
Net Plant in Service	\$10,562,763	\$10,430,570	\$10,395,570	\$10,276,985	\$10,243,599	\$10,210,436	\$10,177,908	\$10,144,451	\$10,099,914	\$10,067,764	\$10,035,318	\$10,001,322	\$10,001,322
Accum Def Income Taxes	\$255,858	\$363,552	\$471,246	\$578,940	\$686,634	\$794,327	\$902,021	\$1,009,715	\$1,117,409	\$1,225,103	\$1,332,797	\$1,438,193	\$1,438,193
PTC Carryforward	34,974	74,048	112,082	154,031	189,608	229,133	260,659	295,128	340,928	381,335	424,716	481,733	481,733
Total Plant in Service	\$10,341,879	\$10,141,066	\$10,036,406	\$9,852,076	\$9,746,573	\$9,645,242	\$9,536,545	\$9,429,864	\$9,323,433	\$9,223,996	\$9,127,237	\$9,044,861	\$9,044,861
<b>Return on Rate Base</b>													
	\$62,189	\$60,982	\$60,352	\$59,244	\$58,609	\$58,000	\$57,346	\$56,705	\$56,065	\$55,467	\$54,885	\$54,390	\$54,390
<b>Expenses</b>													
Operating Expenses													
Labor	\$131	\$102	\$408	\$325	\$569	\$392	\$499	\$768	\$627	\$637	\$667	\$1,011	\$1,011
Benefits	24	22	81	72	122	84	97	138	108	114	122	193	193
Maintenance Costs	0	0	13,599	24	13,585	7,019	5,228	6,560	6,551	6,546	6,534	7,311	7,311
Annual Easements	0	0	0	0	0	0	0	808	0	0	0	21,964	21,964
Insurance - Property	562	562	562	562	562	562	562	562	562	562	562	562	562
Other O&M	103	63	95	(10)	45	80	9	26	30	40	46	114	114
Total O&M Expense	\$820	\$749	\$14,745	\$973	\$14,883	\$8,137	\$6,395	\$8,862	\$7,878	\$7,899	\$7,931	\$31,155	\$31,155
Depreciation	34,726	35,016	35,000	33,578	34,105	34,108	33,957	34,012	34,014	33,979	33,984	33,996	33,996
Taxes Other Than Income	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Total Expenses	\$37,510	\$37,729	\$51,709	\$36,515	\$50,952	\$44,209	\$42,316	\$44,838	\$43,856	\$43,842	\$43,879	\$62,150	\$62,150
Income before Taxes	(\$37,510)	(\$37,729)	(\$51,709)	(\$36,515)	(\$50,952)	(\$44,209)	(\$42,316)	(\$44,838)	(\$43,856)	(\$43,842)	(\$43,879)	(\$62,150)	(\$62,150)
Interest Expense	\$22,226	\$21,795	\$21,570	\$21,174	\$20,947	\$20,729	\$20,496	\$20,266	\$20,038	\$19,824	\$19,616	\$19,439	\$19,439
Taxable income	(\$59,736)	(\$59,524)	(\$73,279)	(\$57,689)	(\$71,899)	(\$64,938)	(\$62,812)	(\$65,104)	(\$63,894)	(\$63,666)	(\$63,495)	(\$81,589)	(\$81,589)
Income Taxes 5/	(\$20,908)	(\$20,833)	(\$25,648)	(\$20,191)	(\$25,165)	(\$22,728)	(\$21,984)	(\$22,786)	(\$22,363)	(\$22,283)	(\$22,223)	(\$28,556)	(\$28,556)
Less: Production Tax Credit	34,974	39,074	38,034	41,949	35,577	39,525	31,527	34,469	42,797	40,407	43,381	57,017	57,017
Net Income Taxes	(\$55,882)	(\$59,907)	(\$63,682)	(\$62,140)	(\$60,742)	(\$62,253)	(\$53,511)	(\$57,255)	(\$65,160)	(\$62,690)	(\$65,604)	(\$85,573)	(\$85,573)
Operating Income	\$18,372	\$22,178	\$11,973	\$25,625	\$9,790	\$18,044	\$11,195	\$12,417	\$21,304	\$18,848	\$21,725	\$23,423	\$23,423
Required Return	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%	7.216%
Operating Income Required	\$62,189	\$60,982	\$60,352	\$59,244	\$58,609	\$58,000	\$57,346	\$56,705	\$56,065	\$55,467	\$54,885	\$54,390	\$54,390
Increase in Operating Income Required	\$43,817	\$38,804	\$38,034	\$33,619	\$48,879	\$33,619	\$46,151	\$44,288	\$34,761	\$36,619	\$33,160	\$30,967	\$30,967
Gross Revenue Conversion Factor	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846
Revenue Increase	\$67,411	\$59,698	\$74,429	\$51,721	\$75,106	\$61,471	\$71,001	\$68,136	\$53,478	\$56,337	\$51,015	\$47,642	\$737,445
Gross Receipts Tax (.00135)	91	81	100	70	101	83	96	92	72	76	69	64	995
<b>Required Revenue Increase</b>	<b>\$67,502</b>	<b>\$59,779</b>	<b>\$74,529</b>	<b>\$51,791</b>	<b>\$75,207</b>	<b>\$61,554</b>	<b>\$71,097</b>	<b>\$66,228</b>	<b>\$53,550</b>	<b>\$56,413</b>	<b>\$51,084</b>	<b>\$47,706</b>	<b>\$738,440</b>
Actual Revenue Collected						\$251,209	\$16,563	\$65,790	\$56,784	\$48,146	\$50,080	\$68,448	\$305,811
Interim Revenue Collected						\$251,209	\$16,563	\$65,790	\$56,784	\$48,146	\$50,080	\$68,448	\$251,209
Total Revenue Collected						\$251,209	\$16,563	\$65,790	\$56,784	\$48,146	\$50,080	\$68,448	\$557,020
Monthly (Over)/Under Recovery	\$67,502	\$59,779	\$74,529	\$51,791	\$75,207	(\$189,655)	\$54,534	\$2,438	(\$3,234)	\$8,267	\$1,004	(\$20,742)	\$181,420
Cumulative (Over)/Under Recovery	\$67,502	\$127,281	\$201,810	\$253,601	\$328,808	\$139,153	\$193,687	\$196,125	\$192,892	\$201,158	\$202,162	\$181,420	\$181,420





**Montana-Dakota Utilities Co.  
Electric Utility - South Dakota  
Infrastructure Rider  
Revenue Requirement - Thunder Spirit Wind  
Carry Charge Calculation**

	Revenue Requirement	Revenue Collected 1/	(Over)/Under Collection	Cumulative (Over)/Under	Deferred Income Tax	Net Balance	Rate 2/	Carrying Charge 3/
<b>2016</b>								
Interim Activity	\$390,362	\$251,209	\$139,153	\$139,153				
July	71,097	16,563	54,534	193,687	\$67,790	\$125,897		\$757
August	68,228	65,790	2,438	196,125	68,644	127,481	7.2160%	767
September	53,550	56,784	(3,234)	192,892	67,512	125,380	7.2160%	754
October	56,413	48,146	8,267	201,158	70,405	130,753	7.2160%	786
November	51,084	50,080	1,004	202,162	70,757	131,405	7.2160%	790
December	47,706	68,448	(20,742)	181,420	63,497	117,923	7.2160%	
Total								\$3,854
<b>2017</b>								
January	\$55,070	\$74,441	(\$19,371)	\$162,049	\$56,717	\$105,332	7.2160%	\$709
February	54,706	76,334	(21,628)	140,421	49,147	91,274	7.2160%	633
March	54,383	62,577	(8,194)	132,227	46,279	85,948	7.2160%	549
April	54,099	54,874	(775)	131,452	46,008	85,444	7.2160%	517
May	53,857	52,921	936	132,389	46,336	86,053	7.2160%	514
June	53,656	51,032	2,624	135,013	47,254	87,759	7.2160%	517
July	53,496	65,912	(12,416)	122,596	42,909	79,687	7.2160%	528
August	53,378	56,574	(3,196)	119,401	41,790	77,611	7.2160%	479
September	53,299	58,507	(5,208)	114,193	39,968	74,225	7.2160%	467
October	53,262	53,462	(200)	113,993	39,897	74,096	7.2160%	446
November	53,265	68,536	(15,271)	98,722	34,553	64,169	7.2160%	446
December	77,128	76,881	247	98,969	34,639	64,330	7.2160%	386
Total								\$6,191

1/ 2017 Revenue collections based on 2016 Tracker Adjustment of \$0.00497 per Kwh.

2/ Authorized ROR in Docket No. EL15-024.

3/ Based on prior month ending balance.