

Federal ADIT Proration

	A	B	C	D
1		Tax Conversion Factor	1.5385	(1/(1-35%))
2		Gross Up of Equity %	7.84%	(C1 * C9)
3		Equity Return %	5.09%	(F17)
4		Gross Up Factor	2.74%	(F10-F11)
5				
6			Annual	Monthly
7		Debt Return %	2.49%	0.21%
8		Preferred Equity %	0.00%	0.00%
9		Equity Return %	5.09%	0.42%
10		Rate of Return	7.59%	0.63%
11		Tax RR on Equity Return	2.74%	0.23%
12		Rate Base Rev Req Gross Up Factor	10.33%	0.86%

Effective January 1, 2018 with Tax Cuts and Job Acts

	E	F	G	H
		Tax Conversion Factor	1.2658	(1/(1-21%))
		Gross Up of Equity %	6.72%	(C1 * C9)
		Equity Return %	5.31%	(F17)
		Gross Up Factor	1.41%	(F10-F11)
			Annual	Monthly
		Debt Return %	2.48%	0.21%
		Preferred Equity %	0.00%	0.00%
		Equity Return %	5.31%	0.44%
		Rate of Return	7.78%	0.65%
		Tax RR on Equity Return	1.41%	0.12%
		Rate Base Rev Req Gross Up Factor	9.19%	0.77%

March 2017 - February 2018 Recovery Period				
Month	Original ADIT Balance - All Projects	Federal ADIT Prorate Balance - All Projects	Difference due to Federal ADIT Proration (B - A)	
15				
16	Feb-17	(\$30,600,002)	(\$30,583,795)	\$16,207
17	Mar-17	(\$30,678,700)	(\$30,661,780)	
18	Apr-17	(30,750,351)	(30,733,008)	
19	May-17	(30,814,719)	(30,797,102)	
20	Jun-17	(30,872,038)	(30,854,285)	
21	Jul-17	(30,922,075)	(30,904,335)	
22	Aug-17	(30,964,830)	(30,947,246)	
23	Sep-17	(31,000,537)	(30,983,216)	
24	Oct-17	(31,028,962)	(31,012,052)	
25	Nov-17	(31,050,339)	(31,033,981)	
26	Dec-17	(33,514,334)	(33,164,217)	
27	Jan-18	(33,526,356)	(33,173,313)	
28	Feb-18	(\$33,526,770)	(\$33,175,450)	\$351,321
29	ADIT Simple Average	(\$32,063,386)	(\$31,879,622)	\$183,764

32 Rate Base Rev Req Gross Up Factor 10.14%
 33 Total Company Revenue Requirement \$18,634

34 **SD Revenue Requirement Related to Federal ADIT Proration-Preservation \$1,829**