

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement - Thunder Spirit Wind
Projected 2018

	Projected												Average Balance
	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	June 2018	July 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	
Rate Base													
Plant Balance 1/	\$10,389,641	\$10,389,641	\$10,389,641	\$10,389,641	\$10,389,641	\$10,389,641	\$10,392,077	\$10,392,077	\$10,392,077	\$10,392,077	\$10,392,077	\$10,392,077	
Accumulated Depreciation	851,406	885,270	919,134	952,998	986,862	1,020,726	1,054,590	1,088,462	1,122,342	1,156,230	1,190,126	1,224,030	
Net Plant in Service	\$9,538,235	\$9,504,371	\$9,470,507	\$9,436,643	\$9,402,779	\$9,368,915	\$9,337,487	\$9,303,615	\$9,269,735	\$9,235,847	\$9,201,951	\$9,168,047	\$9,353,178
Accum Def Income Taxes 2/	\$2,181,864	\$2,199,066	\$2,214,532	\$2,228,317	\$2,240,363	\$2,250,728	\$2,259,357	\$2,266,249	\$2,271,460	\$2,274,935	\$2,276,729	\$2,276,784	
PTC Carryforward 3/	419,986	419,986	419,986	314,989	314,989	209,992	209,992	209,992	104,995	104,995	104,995	0	
Total Rate Base	\$7,776,357	\$7,725,291	\$7,675,961	\$7,523,315	\$7,477,405	\$7,328,179	\$7,288,122	\$7,247,358	\$7,103,270	\$7,065,907	\$7,030,217	\$6,891,263	\$7,344,387
Return on Rate Base 4/	\$46,762	\$46,455	\$46,158	\$45,240	\$44,964	\$44,067	\$43,826	\$43,581	\$42,714	\$42,490	\$42,275	\$41,439	\$529,971
Expenses													
Operating Expenses													Total
O&M 5/	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$10,344	\$32,866	
Property Insurance	531	531	531	531	531	531	531	531	531	531	531	538	
Depreciation 1/	33,864	33,864	33,864	33,864	33,864	33,864	33,864	33,872	33,880	33,888	33,896	33,904	
Payroll Taxes	58	58	58	58	58	58	58	58	58	58	58	56	
Taxes Other Than Income 6/	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	
Total Expenses	\$46,796	\$46,796	\$46,796	\$46,796	\$46,796	\$46,796	\$46,796	\$46,804	\$46,812	\$46,820	\$46,828	\$69,363	\$584,199
Income before Taxes	(\$46,796)	(\$46,796)	(\$46,796)	(\$46,796)	(\$46,796)	(\$46,796)	(\$46,796)	(\$46,804)	(\$46,812)	(\$46,820)	(\$46,828)	(\$69,363)	
Interest Expense	16,713	16,603	16,497	16,169	16,070	15,749	15,663	15,576	15,266	15,186	15,109	14,810	189,411
Taxable income	(\$63,509)	(\$63,399)	(\$63,293)	(\$62,965)	(\$62,866)	(\$62,545)	(\$62,459)	(\$62,380)	(\$62,078)	(\$62,006)	(\$61,937)	(\$84,173)	(\$773,610)
Income Taxes 7/	(\$13,337)	(\$13,314)	(\$13,292)	(\$13,223)	(\$13,202)	(\$13,134)	(\$13,116)	(\$13,100)	(\$13,036)	(\$13,021)	(\$13,007)	(\$17,676)	(\$162,458)
Less: Production Tax Credit 8/	56,901	45,467	34,242	38,597	44,796	37,036	30,042	28,147	31,784	46,566	49,321	54,781	\$497,680
Net Income Taxes	(\$70,238)	(\$58,781)	(\$47,534)	(\$51,820)	(\$57,998)	(\$50,170)	(\$43,158)	(\$41,247)	(\$44,820)	(\$59,587)	(\$62,328)	(\$72,457)	(\$660,138)
Operating Income	\$23,442	\$11,985	\$738	\$5,024	\$11,202	\$3,374	(\$3,638)	(\$5,557)	(\$1,992)	\$12,767	\$15,500	\$3,094	\$75,939
Increase in Operating Income Required	\$23,320	\$34,470	\$45,420	\$40,216	\$33,762	\$40,693	\$47,464	\$49,138	\$44,706	\$29,723	\$26,775	\$38,345	\$454,032
Gross Revenue Conversion Factor 7/	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582
Revenue Increase	\$29,519	\$43,633	\$57,494	\$50,906	\$42,737	\$51,510	\$60,081	\$62,200	\$56,590	\$37,624	\$33,892	\$48,538	\$574,724
Gross Receipts Tax (.0015)	44	65	86	76	64	77	90	93	85	56	51	73	860
Required Revenue Increase	\$29,563	\$43,698	\$57,580	\$50,982	\$42,801	\$51,587	\$60,171	\$62,293	\$56,675	\$37,680	\$33,943	\$48,611	\$575,584

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1/ Budgeted plant additions for 2018. South Dakota plant addition amount added to July plant balance. Corresponding depreciation expense added to August balance through end of the year.

Plant Additions:	50,000	SD Plant additions:	2,436
SD Fac. #271:	4.871549%	Depreciation rate:	4.00%
SD Plant additions:	2,436	Annual Depr:	97
		Monthly Depreciation:	8

2/ Monthly Deferred Income Tax activity is 1/12 of projected 2018 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected DIT activity 2018:	5,037,784
SD Factor, #271:	4.871549%
SD projected activity:	245,418
Monthly:	20,452

January	February	March	April	May	June
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
18,771	17,202	15,466	13,785	12,046	10,365
July	August	September	October	November	December
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
8,629	6,892	5,211	3,475	1,794	55

3/ Production Tax Credit carryforward, projected utilization.

Quarterly carryforward utilized:	419,986
SD Factor, #271:	4 months
Quarterly SD carryforward utilized:	(104,997)

4/ Authorized ROR per Docket No. EL15-024. 7.216%

5/ Projected O&M:

Budgeted O&M Labor:	72,886
Budgeted O&M Maintenance:	2,441,000
Budgeted O&M Other Costs:	34,016
	2,547,902
SD Factor #271:	4.871549%
Budgeted SD O&M:	124,122
Monthly Budgeted SD O&M:	10,344
Annual easement for SD:	22,522 Added to December monthly balance.

6/ Generation taxes based on prior year actual taxes.

7/ Tax Rate	21.0000% (Federal Tax Rate = 21%, SD State Tax Rate = 0%)
1- tax rate	79.0000%
Gross Revenue Conversion Factor	1.26582

8/ Production Tax Credit.

	January	February	March	April	May	June	July	August	September	October	November	December
Thunder Spirit:	48,668,174	38,888,598	29,287,644	33,012,304	38,313,860	31,677,197	25,695,037	24,074,066	27,184,729	39,828,019	42,184,419	46,854,735
Projected PTC (rate \$.024/Kwh):	1,168,036	933,326	702,903	792,295	919,533	760,253	616,681	577,778	652,433	955,872	1,012,426	1,124,514
Projected SD PTC (Factor #271):	56,901	45,467	34,242	38,597	44,796	37,036	30,042	28,147	31,784	46,566	49,321	54,781