

**Montana-Dakota Utilities Co.  
Electric Utility - South Dakota  
Infrastructure Rider  
Revenue Requirement - Thunder Spirit Wind  
Actual 2017**

	Actual 2017												Average Balance
	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	
<b>Rate Base</b>													
Plant Balance	\$10,370,774	\$10,388,598	\$10,384,514	\$10,384,670	\$10,384,670	\$10,386,409	\$10,386,971	\$10,387,389	\$10,387,654	\$10,387,654	\$10,389,456	\$10,389,641	
Accumulated Depreciation	444,031	477,833	511,694	545,542	579,390	613,977	647,831	682,105	715,962	749,820	783,678	817,542	
Net Plant in Service	\$9,926,743	\$9,910,765	\$9,872,820	\$9,839,128	\$9,805,280	\$9,772,432	\$9,739,140	\$9,705,284	\$9,671,692	\$9,637,834	\$9,605,778	\$9,572,099	\$9,754,916
Accum Def Income Taxes	\$1,491,547	\$1,552,597	\$1,613,647	\$1,674,697	\$1,735,747	\$1,796,797	\$1,857,847	\$1,918,897	\$1,979,947	\$2,040,997	\$2,102,047	\$2,163,093	
PTC Carryforward	481,733	481,733	481,733	481,733	481,733	481,733	481,733	481,733	481,733	481,733	481,733	419,986	
Total Rate Base	\$8,916,929	\$8,839,901	\$8,740,906	\$8,646,164	\$8,551,266	\$8,457,368	\$8,363,026	\$8,268,120	\$8,173,478	\$8,078,570	\$7,985,464	\$7,828,992	\$8,404,182
<b>Return on Rate Base 1/</b>	\$53,620	\$53,157	\$52,562	\$51,992	\$51,422	\$50,857	\$50,290	\$49,719	\$49,150	\$48,579	\$48,019	\$47,078	<b>\$606,445</b>
<b>Expenses</b>													
Operating Expenses													Total
Labor 2/	\$746	\$1,203	\$789	\$591	\$1,270	\$1,093	\$502	\$415	\$380	\$500	\$418	\$501	
Benefits	122	215	129	102	209	146	86	73	68	69	66	81	
Maintenance Costs	5,900	6,956	6,721	6,495	6,525	6,711	6,621	6,501	6,646	6,567	7,614	6,559	
Annual Easements	8	0	0	0	0	0	0	0	0	0	0	22,329	
Other O&M	84	156	59	81	197	255	65	245	56	42	59	347	
Commission Expense	0	0	0	0	0	2,734	0	116	0	0	0	0	
Insurance - Property	554	554	554	554	554	554	554	554	554	554	554	558	
Total O&M Expense	\$7,414	\$9,084	\$8,252	\$7,823	\$8,755	\$11,493	\$7,828	\$7,904	\$7,704	\$7,732	\$8,711	\$30,375	\$123,075
Depreciation	33,785	33,802	33,861	33,848	33,848	34,587	33,854	34,274	33,857	33,858	33,858	33,864	\$407,296
Payroll Taxes	63	99	64	49	101	88	41	35	32	42	35	45	
Generation Taxes	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	2,001	
Total Expenses	\$43,261	\$44,984	\$44,176	\$43,719	\$44,703	\$48,167	\$43,722	\$44,212	\$43,592	\$43,631	\$44,603	\$66,285	\$555,055
Income before Taxes	(\$43,261)	(\$44,984)	(\$44,176)	(\$43,719)	(\$44,703)	(\$48,167)	(\$43,722)	(\$44,212)	(\$43,592)	(\$43,631)	(\$44,603)	(\$66,285)	(\$555,055)
Interest Expense	\$19,164	\$18,998	\$18,786	\$18,582	\$18,378	\$18,176	\$17,974	\$17,770	\$17,566	\$17,362	\$17,162	\$16,826	\$216,744
Taxable income	(\$62,425)	(\$63,982)	(\$62,962)	(\$62,301)	(\$63,081)	(\$66,343)	(\$61,696)	(\$61,982)	(\$61,158)	(\$60,993)	(\$61,765)	(\$83,111)	(\$771,799)
Income Taxes	(\$21,849)	(\$22,394)	(\$22,037)	(\$21,805)	(\$22,078)	(\$23,220)	(\$21,594)	(\$21,694)	(\$21,405)	(\$21,348)	(\$21,618)	(\$29,089)	(\$270,131)
Less: Production Tax Credit	56,838	37,024	40,605	33,705	39,467	34,960	35,092	27,840	34,475	54,606	46,306	59,725	\$500,643
Net Income Taxes	(\$78,687)	(\$59,418)	(\$62,642)	(\$55,510)	(\$61,545)	(\$58,180)	(\$56,686)	(\$49,534)	(\$55,880)	(\$75,954)	(\$67,924)	(\$88,814)	(\$770,774)
Operating Income	\$35,426	\$14,434	\$18,466	\$11,791	\$16,842	\$10,013	\$12,964	\$5,322	\$12,288	\$32,323	\$23,321	\$22,529	\$215,719
Increase in Operating Income Required	\$18,194	\$38,723	\$34,096	\$40,201	\$34,580	\$40,844	\$37,326	\$44,397	\$36,862	\$16,256	\$24,698	\$24,549	\$390,726
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	
Revenue Increase	\$27,991	\$59,574	\$52,455	\$61,848	\$53,200	\$62,837	\$57,425	\$68,303	\$56,711	\$25,009	\$37,997	\$37,768	\$601,118
Gross Receipts Tax (.00135)	38	80	71	83	72	85	78	92	77	34	51	51	812
<b>Required Revenue Increase</b>	<b>\$28,029</b>	<b>\$59,654</b>	<b>\$52,526</b>	<b>\$61,931</b>	<b>\$53,272</b>	<b>\$62,922</b>	<b>\$57,503</b>	<b>\$68,395</b>	<b>\$56,788</b>	<b>\$25,043</b>	<b>\$38,048</b>	<b>\$37,819</b>	<b>\$601,930</b>

1/ Authorized rate of return = 7.216% per Docket No. EL15-024.

2/ Labor reduced for supervisor's salary allocated to Thunder Spirit and for one-third of incentive compensation accrual.