

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
Actual 2021**

| | Actual | | | | | | | | | | | | Average Balance |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | June 2021 | July 2021 | Aug 2021 | Sept 2021 | Oct 2021 | Nov 2021 | Dec 2021 | |
| Rate Base | | | | | | | | | | | | | |
| Plant Balance: | | | | | | | | | | | | | |
| Thunder Spirit | \$14,615,101 | \$14,615,101 | \$14,591,813 | \$14,591,813 | \$14,591,244 | \$14,591,244 | \$14,591,244 | \$14,590,496 | \$14,590,496 | \$14,590,496 | \$14,589,965 | \$14,592,202 | |
| Infrastructure Projects | 2,988,693 | 2,981,803 | 2,981,809 | 2,981,809 | 2,981,809 | 2,981,809 | 2,981,971 | 2,981,971 | 3,193,752 | 3,195,582 | 3,398,413 | 3,462,675 | |
| Total Plant Balance | \$17,603,794 | \$17,596,904 | \$17,573,622 | \$17,573,622 | \$17,573,053 | \$17,573,053 | \$17,573,215 | \$17,572,467 | \$17,784,248 | \$17,786,078 | \$17,988,378 | \$18,054,877 | \$17,687,776 |
| Accumulated Depreciation: | | | | | | | | | | | | | |
| Thunder Spirit | \$2,191,357 | \$2,243,395 | \$2,268,023 | \$2,315,860 | \$2,363,698 | \$2,411,533 | \$2,459,369 | \$2,507,204 | \$2,555,037 | \$2,602,870 | \$2,650,703 | \$2,698,535 | |
| Infrastructure Projects | 79,163 | 83,182 | 87,194 | 91,204 | 95,215 | 99,226 | 103,237 | 107,248 | 111,259 | 115,550 | 119,844 | 124,404 | |
| Total Accumulated Reserve | \$2,270,520 | \$2,326,577 | \$2,355,217 | \$2,407,064 | \$2,458,913 | \$2,510,759 | \$2,562,606 | \$2,614,452 | \$2,666,296 | \$2,718,420 | \$2,770,547 | \$2,822,939 | \$2,540,359 |
| Net Plant in Service | \$15,333,274 | \$15,270,327 | \$15,218,405 | \$15,166,558 | \$15,114,140 | \$15,062,294 | \$15,010,609 | \$14,958,015 | \$15,117,952 | \$15,067,658 | \$15,217,831 | \$15,231,938 | \$15,147,417 |
| Additions: | | | | | | | | | | | | | |
| PTC Carryforward | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Deferred Tax on Invest. Tax Credit | 14,213 | 16,097 | 17,981 | 19,865 | 21,749 | 23,633 | 25,517 | 27,400 | 29,284 | 31,168 | 26,642 | 28,525 | |
| Reductions: | | | | | | | | | | | | | |
| Accum Def Income Taxes - Thunder Spirit | 3,177,681 | 3,173,548 | 3,169,832 | 3,166,520 | 3,163,626 | 3,161,136 | 3,159,063 | 3,157,407 | 3,156,155 | 3,155,320 | 3,154,889 | 3,154,876 | |
| Accum Def Income Taxes - Infrastructure Proj. | 55,068 | 57,547 | 59,776 | 61,762 | 63,498 | 64,992 | 66,235 | 67,228 | 67,979 | 68,480 | 68,738 | 68,746 | |
| Accumulated Investment Tax Credit | 58,240 | 65,959 | 73,678 | 81,398 | 89,117 | 96,836 | 104,555 | 112,274 | 119,993 | 127,713 | 109,165 | 116,884 | |
| Total Rate Base | \$12,056,498 | \$11,989,370 | \$11,933,100 | \$11,876,743 | \$11,819,648 | \$11,762,963 | \$11,706,273 | \$11,648,506 | \$11,803,109 | \$11,747,313 | \$11,911,681 | \$11,919,957 | \$11,847,930 |
| Return on Rate Base 1/ | \$72,500 | \$72,096 | \$71,758 | \$71,419 | \$71,075 | \$70,735 | \$70,394 | \$70,046 | \$70,976 | \$70,641 | \$71,629 | \$71,679 | \$854,948 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | Total |
| O&M | \$12,715 | \$13,641 | \$15,215 | \$15,020 | \$15,812 | \$16,023 | \$15,437 | \$15,698 | \$17,246 | \$14,960 | \$15,193 | \$51,904 | |
| Commission Expense | 0 | 0 | 0 | 1,082 | 2,374 | 0 | 319 | 0 | 1,040 | 2,225 | 1,520 | 0 | |
| Insurance - Property | 857 | 857 | 857 | 857 | 857 | 857 | 857 | 857 | 857 | 857 | 857 | 853 | |
| Depreciation - Thunder Spirit | 47,905 | 47,915 | 47,915 | 47,837 | 47,837 | 47,835 | 47,836 | 47,835 | 47,834 | 47,833 | 47,834 | 47,832 | |
| Depreciation - Infrastructure Projects | 4,018 | 4,019 | 4,011 | 4,011 | 4,011 | 4,011 | 4,011 | 4,011 | 4,011 | 4,291 | 4,293 | 4,561 | |
| Payroll Taxes - Thunder Spirit | 55 | 45 | 40 | 41 | 67 | 84 | 52 | 56 | 67 | 30 | 34 | 36 | |
| Taxes Other Than Income | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,758 | 3,756 | |
| Total Expenses | \$69,308 | \$70,235 | \$71,796 | \$72,606 | \$74,716 | \$72,568 | \$72,270 | \$72,215 | \$74,813 | \$73,954 | \$73,489 | \$108,942 | \$906,912 |
| Income before Taxes | (\$69,308) | (\$70,235) | (\$71,796) | (\$72,606) | (\$74,716) | (\$72,568) | (\$72,270) | (\$72,215) | (\$74,813) | (\$73,954) | (\$73,489) | (\$108,942) | |
| Interest Expense | 25,911 | 25,767 | 25,646 | 25,525 | 25,402 | 25,281 | 25,159 | 25,035 | 25,367 | 25,247 | 25,600 | 25,618 | 305,558 |
| AFUDC Equity Add Back | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 8,928 |
| Taxable income | (\$94,475) | (\$95,258) | (\$96,698) | (\$97,387) | (\$99,374) | (\$97,105) | (\$96,685) | (\$96,506) | (\$99,436) | (\$98,457) | (\$98,345) | (\$133,816) | (\$1,203,542) |
| Income Taxes 2/ | (\$19,840) | (\$20,004) | (\$20,307) | (\$20,451) | (\$20,869) | (\$20,392) | (\$20,304) | (\$20,266) | (\$20,882) | (\$20,676) | (\$20,652) | (\$28,101) | (\$252,744) |
| Less: Production Tax Credit | 62,854 | 61,182 | 58,542 | 56,208 | 51,302 | 45,391 | 46,678 | 50,646 | 50,421 | 75,271 | 68,136 | 67,780 | 694,411 |
| ARAM Amortization | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,973 | 2,977 | 35,680 |
| Net Income Taxes | (\$85,667) | (\$84,159) | (\$81,822) | (\$79,632) | (\$75,144) | (\$68,756) | (\$69,955) | (\$73,885) | (\$74,276) | (\$98,920) | (\$91,761) | (\$98,858) | (\$982,835) |
| Operating Income | \$16,359 | \$13,924 | \$10,026 | \$7,026 | \$428 | (\$3,812) | (\$2,315) | \$1,670 | (\$537) | \$24,966 | \$18,272 | (\$10,084) | \$75,923 |
| Increase in Operating Income Required | \$56,141 | \$58,172 | \$61,732 | \$64,393 | \$70,647 | \$74,547 | \$72,709 | \$68,376 | \$71,513 | \$45,675 | \$53,357 | \$81,763 | \$779,025 |
| Gross Revenue Conversion Factor 2/ | 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 | \$71,064 | \$73,635 | \$78,142 | \$81,510 | \$89,426 | \$94,363 | \$92,037 | \$86,552 | \$90,523 | \$57,816 | \$67,540 | \$103,497 | \$986,105 |
| Gross Receipts Tax (.0015) | 107 | 110 | 117 | 122 | 134 | 142 | 138 | 130 | 136 | 87 | 101 | 155 | 1,479 |
| Total Revenue Requirement | \$71,171 | \$73,745 | \$78,259 | \$81,632 | \$89,560 | \$94,505 | \$92,175 | \$86,682 | \$90,659 | \$57,903 | \$67,641 | \$103,652 | \$987,584 |

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

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