

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement
For Year 2023**

	Projected												Average Balance
	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	
Rate Base													
Plant Balance:													
Leola	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994	\$1,277,994
Dickinson	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405	582,405
Greenway	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022	9,725,022
Greenway to Hague 5/	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785	4,624,785
Hauge to Herried 6/	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008	1,041,008
Total Plant Balance	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214	\$17,251,214
Accumulated Reserve:													
Leola	\$39,394	\$41,485	\$43,576	\$45,667	\$47,758	\$49,849	\$51,940	\$54,031	\$56,122	\$58,213	\$60,304	\$62,395	\$62,395
Dickinson	29,903	30,849	31,795	32,741	33,687	34,633	35,579	36,525	37,471	38,417	39,363	40,309	40,309
Greenway	213,049	228,217	243,385	258,553	273,721	288,889	304,057	319,225	334,393	349,561	364,729	379,897	379,897
Greenway to Hague	0	7,824	15,648	23,472	31,296	39,120	46,944	54,768	62,592	70,416	78,240	86,064	86,064
Hauge to Herried	0	1,761	3,522	5,283	7,044	8,805	10,566	12,327	14,088	15,849	17,610	19,371	19,371
Total Accumulated Reserve	\$282,346	\$310,136	\$337,926	\$365,716	\$393,506	\$421,296	\$449,086	\$476,876	\$504,666	\$532,456	\$560,246	\$588,036	\$435,191
Net Plant in Service	\$16,968,868	\$16,941,078	\$16,913,288	\$16,885,498	\$16,857,708	\$16,829,918	\$16,802,128	\$16,774,338	\$16,746,548	\$16,718,758	\$16,690,968	\$16,663,178	\$16,816,023
Accum Def Income Taxes 1/	\$50,357	\$51,991	\$53,460	\$54,770	\$55,914	\$56,899	\$57,719	\$58,374	\$58,869	\$59,199	\$59,369	\$59,374	
Total Plant in Service	\$16,918,511	\$16,889,087	\$16,859,828	\$16,830,728	\$16,801,794	\$16,773,019	\$16,744,409	\$16,715,964	\$16,687,679	\$16,659,559	\$16,631,599	\$16,603,804	\$16,759,665
Return on Rate Base 2/	\$101,737	\$101,560	\$101,384	\$101,209	\$101,035	\$100,862	\$100,690	\$100,519	\$100,349	\$100,179	\$100,011	\$99,844	\$1,209,379
Expenses													
Operating Expenses													Total
Depreciation:													
Leola	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$2,091	\$25,092
Dickinson	946	946	946	946	946	946	946	946	946	946	946	946	11,352
Greenway	15,168	15,168	15,168	15,168	15,168	15,168	15,168	15,168	15,168	15,168	15,168	15,168	182,016
Greenway to Hague 5/	0	7,824	7,824	7,824	7,824	7,824	7,824	7,824	7,824	7,824	7,824	7,824	86,064
Hauge to Herried 6/	0	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	1,761	19,371
Total Depreciation	\$18,205	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$27,790	\$323,895
Property Tax 3/	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	\$5,768	69,210
Total Expenses	\$23,973	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$33,558	\$393,105
Income before Taxes	(\$23,973)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	(\$33,558)	
Interest Expense	36,361	36,297	36,235	36,172	36,110	36,048	35,987	35,925	35,865	35,804	35,744	35,684	432,232
Taxable income	(\$60,334)	(\$69,855)	(\$69,793)	(\$69,730)	(\$69,668)	(\$69,606)	(\$69,545)	(\$69,483)	(\$69,423)	(\$69,362)	(\$69,302)	(\$69,236)	(\$825,337)
Income Taxes 4/	(\$12,670)	(\$14,670)	(\$14,657)	(\$14,643)	(\$14,630)	(\$14,617)	(\$14,604)	(\$14,591)	(\$14,579)	(\$14,566)	(\$14,553)	(\$14,540)	(\$173,320)
Operating Income	(\$11,303)	(\$18,888)	(\$18,901)	(\$18,915)	(\$18,928)	(\$18,941)	(\$18,954)	(\$18,967)	(\$18,979)	(\$18,992)	(\$19,005)	(\$19,012)	(\$219,785)
Increase in Operating Income Required	\$113,040	\$120,448	\$120,285	\$120,124	\$119,963	\$119,803	\$119,644	\$119,486	\$119,328	\$119,171	\$119,016	\$118,856	\$1,429,164
Gross Revenue Conversion Factor 4/	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	\$143,088	\$152,465	\$152,259	\$152,055	\$151,852	\$151,649	\$151,448	\$151,248	\$151,048	\$150,849	\$150,653	\$150,450	\$1,809,064
Gross Receipts Tax (.0015)	215	229	228	228	228	227	227	227	227	226	226	226	2,714
Total Revenue Requirement	\$143,303	\$152,694	\$152,487	\$152,283	\$152,080	\$151,876	\$151,675	\$151,475	\$151,275	\$151,075	\$150,879	\$150,676	\$1,811,778

**Montana-Dakota Utilities Co.
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For Year 2023**

2023 Footnotes:

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2023 DIT activity. Monthly activity prorated based on DIT proration methodology.

	<u>Leola</u>		<u>Dickinson</u>		<u>Greenway</u>		<u>Greenway to Hauge</u>		<u>Hauge to Herried</u>
Estimated 2023 activity:	\$267,151	Estimated 2023 activity:	\$109,639	Estimated 2023 activity:	\$98,248	Estimated 2023 activity:	\$18,347	Estimated 2023 activity:	\$4,130
SD Factor #15:	4.685372%	SD Factor #15:	4.685372%	SD Factor #15:	4.685372%	SD Factor #15:	4.685372%	SD Factor #15:	4.685372%
SD projected activity:	\$12,517	SD projected activity:	\$5,137	SD projected activity:	\$4,603	SD projected activity:	\$860	SD projected activity:	\$194
Monthly:	\$1,043	Monthly:	\$428	Monthly:	\$384	Monthly:	\$72	Monthly:	\$16

	January	February	March	April	May	June	July	August	September	October	November	December
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
	\$1,783	\$1,634	\$1,469	\$1,310	\$1,144	\$985	\$820	\$655	\$495	\$330	\$170	\$5

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

3/ Property Tax:

	<u>Transmission Assets</u>
Estimated 2023 Property Tax:	\$130,336
SD Factor. #15:	4.685372%
South Dakota:	\$6,107
Estimated Direct SD Property Tax:	63,103
Total South Dakota Property Tax:	\$69,210
Monthly:	\$5,768

4/ Income Taxes:

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

5/ Projected addition to Plant in Service. See Attachment C, page 3 for details.

Increase to Plant in Service:	\$4,624,785	(Estimated in service date January 2023)
Increase to Depreciation:	\$7,824	(effective February 2023)

6/ Projected addition to Plant in Service. See Attachment C, page 4 for details.

Increase to Plant in Service:	\$1,041,008	(Estimated in service date January 2023)
Increase to Depreciation:	\$1,761	(effective February 2023)

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Greenway to Hague - Rebuild
Approved Project**

Direct to South Dakota

Plant in Service, updated in service date January 2023. Depreciation expense starts February 2023. This project was included in Docket No. EL22-006 as a November 2022 in service date. In Service date was delayed due to contractor delays as well as weather and material delivery setbacks. Actual costs were lower than estimated due to savings on contractor cost efficiencies and very little landowner related design restrictions, which reduced contractor costs.

	<u>Plant</u>		<u>Depreciation</u>
Rebuild Greenway to Herried TL061-1:	\$4,624,785	Plant (SD Alloc):	\$4,624,785
		Depreciation Rate:	<u>2.03%</u>
		Annual Depreciation	\$93,883
		Monthly Depreciation:	\$7,824

Deferred income tax:

(based on Half Year Convention, 20-year asset:)

	<u>2023</u>
Year end plant balance:	\$4,624,785
Tax Depreciation Rate:	<u>3.750%</u>
Tax Depreciation:	\$173,429
Book Depreciation:	<u>86,064</u>
Remainder:	\$87,365
Income Tax Rate:	<u>21.0000%</u>
Deferred Income Tax:	\$18,347

Property Tax:

	<u>South Dakota</u>
Year End Plant Balance:	\$4,624,785
Effective Rate:	<u>0.41%</u>
Property Tax:	\$18,962

Project Cost Breakdow

Greenway to Hague 60kV Line Project			
Category	Actual	Original Estimate	Difference
Contractor	\$1,548,116.17	\$3,045,000.00	(\$1,496,883.83)
Material	\$2,469,582.18	\$2,436,000.00	\$33,582.18
MDU Internal Costs	\$325,096.04	\$260,000.00	\$65,096.04
ES&GA	\$281,990.21	\$330,000.00	(\$48,009.79)
Total	\$4,624,784.60	\$6,071,000.00	(\$1,446,215.40)

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Electric Utility - South Dakota
Transmission Rider
Revenue Requirement - Hague to Herreid - Rebuild
Approved Project**

Direct to South Dakota

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	<u>Plant</u>		<u>Depreciation</u>
Rebuild Hague to Herried TL075-1:	\$1,041,008	Plant (SD Alloc):	\$1,041,008
		Depreciation Rate:	<u>2.03%</u>
		Annual Depreciation	\$21,132
		Monthly Depreciation:	\$1,761

Deferred income tax:

(based on Half Year Convention, 20-year asset:)

	<u>2023</u>
Year end plant balance:	\$1,041,008
Tax Depreciation Rate:	<u>3.750%</u>
Tax Depreciation:	\$39,038
Book Depreciation:	<u>19,371</u>
Remainder:	\$19,667
Income Tax Rate:	<u>21.0000%</u>
Deferred Income Tax:	\$4,130

Property Tax:

	<u>South Dakota</u>
Year End Plant Balance:	\$1,041,008
Effective Rate:	<u>0.41%</u>
Property Tax:	\$4,268

Project Cost Breakdown:

Hague to Herreid 60kV Line Project			
Category	Actual	Original Estimate	Difference
Contractor	\$554,033.39	\$920,000.00	(\$365,966.61)
Material	\$416,403.78	\$776,250.00	(\$359,846.22)
MDU Internal Costs	\$51,874.63	\$100,000.00	(\$48,125.37)
ES&GA	\$137,033.48	\$330,000.00	(\$192,966.52)
Total	\$1,159,345.28	\$2,126,250.00	(\$966,904.72)