

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
Projected 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:													
Thunder Spirit	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608	\$9,790,608
Thunder Spirit Expansion	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971	4,046,971
Bowdle Substation / Lines	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886	2,943,886
Sidney Transmission Line	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085	38,085
Mandan Substation	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744	399,744
Lewis & Clark Substation	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890	230,890
Total Plant Balance	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184	\$17,450,184
Accumulated Depreciation:													
Thunder Spirit	\$2,359,759	\$2,391,705	\$2,423,651	\$2,455,597	\$2,487,543	\$2,519,489	\$2,551,435	\$2,583,381	\$2,615,327	\$2,647,273	\$2,679,219	\$2,711,165	\$2,743,111
Thunder Spirit Expansion	680,988	694,435	707,882	721,329	734,776	748,223	761,670	775,117	788,564	802,011	815,458	828,905	842,352
Bowdle Substation / Lines	173,887	177,849	181,811	185,773	189,735	193,697	197,659	201,621	205,583	209,545	213,507	217,469	221,431
Sidney Transmission Line	1,550	1,599	1,648	1,697	1,746	1,795	1,844	1,893	1,942	1,991	2,040	2,089	2,138
Mandan Substation	6,604	7,174	7,744	8,314	8,884	9,454	10,024	10,594	11,164	11,734	12,304	12,874	13,444
Lewis & Clark Substation	4,756	5,058	5,360	5,662	5,964	6,266	6,568	6,870	7,172	7,474	7,776	8,078	8,380
Total Accumulated Reserve	\$3,227,544	\$3,277,820	\$3,328,096	\$3,378,372	\$3,428,648	\$3,478,924	\$3,529,200	\$3,579,476	\$3,629,752	\$3,680,028	\$3,730,304	\$3,780,580	\$3,830,856
Net Plant in Service	\$14,222,640	\$14,172,364	\$14,122,088	\$14,071,812	\$14,021,536	\$13,971,260	\$13,920,984	\$13,870,708	\$13,820,432	\$13,770,156	\$13,719,880	\$13,669,604	\$13,619,328
Additions:													
Deferred Tax on Invest. Tax Credit 1/	\$37,578	\$39,041	\$40,504	\$41,967	\$43,430	\$44,893	\$46,356	\$47,819	\$49,282	\$50,745	\$52,208	\$53,671	\$55,134
Reductions:													
Accum Def Income Taxes - Thunder Spirit 2/	2,600,388	2,595,474	2,591,056	2,587,118	2,583,677	2,580,716	2,578,251	2,576,282	2,574,793	2,573,800	2,573,288	2,573,272	2,573,256
Accum Def Income Taxes - Infrastructure Proj. 2/	125,348	127,628	129,678	131,505	133,102	134,476	135,620	136,534	137,225	137,686	137,924	137,931	137,938
Accumulated Investment Tax Credit 1/	154,948	161,915	168,882	175,849	182,816	189,783	196,750	203,717	210,684	217,651	224,618	231,585	238,552
Total Rate Base	\$11,379,534	\$11,326,388	\$11,272,976	\$11,219,307	\$11,165,371	\$11,111,178	\$11,056,719	\$11,001,994	\$10,947,012	\$10,891,764	\$10,836,258	\$10,780,487	\$10,724,716
Return on Rate Base 3/	\$68,429	\$68,109	\$67,788	\$67,465	\$67,141	\$66,815	\$66,488	\$66,159	\$65,828	\$65,496	\$65,162	\$64,827	\$64,493
Expenses													
Operating Expenses													
O&M	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$14,872	\$48,233
Commission Expense	0	0	0	0	3,746	0	0	0	0	0	0	0	0
Insurance - Property	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Total Operating Expenses	16,085	16,085	16,085	16,085	19,831	16,085	16,085	16,085	16,085	16,085	16,085	16,085	49,445
Depreciation - Thunder Spirit	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$31,946	\$383,352
Depreciation - Thunder Spirit Expansion	13,447	13,447	13,447	13,447	13,447	13,447	13,447	13,447	13,447	13,447	13,447	13,447	161,364
Depreciation - Bowdle Substation / Lines	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	3,962	47,544
Depreciation - Sidney Transmission Line	49	49	49	49	49	49	49	49	49	49	49	49	588
Depreciation - Mandan Substation	570	570	570	570	570	570	570	570	570	570	570	570	6,840
Depreciation - Lewis & Clark Substation	302	302	302	302	302	302	302	302	302	302	302	302	3,624
Payroll Taxes - Thunder Spirit	50	50	50	50	50	50	50	50	50	50	50	50	600
Taxes Other Than Income 5/	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,478	41,791
Total Expenses	\$69,894	\$69,894	\$69,894	\$69,894	\$73,640	\$69,894	\$69,894	\$69,894	\$69,894	\$69,894	\$69,894	\$69,894	\$875,829
Income before Taxes	(\$69,894)	(\$69,894)	(\$69,894)	(\$69,894)	(\$73,640)	(\$69,894)	(\$69,894)	(\$69,894)	(\$69,894)	(\$69,894)	(\$69,894)	(\$69,894)	(\$103,249)
Interest Expense	24,457	24,342	24,228	24,112	23,996	23,880	23,763	23,645	23,527	23,408	23,289	23,169	285,816
AFUDC Equity Add Back	702	702	702	702	702	702	702	702	702	702	702	702	8,418
Taxable income	(\$93,649)	(\$93,534)	(\$93,420)	(\$93,304)	(\$96,934)	(\$93,072)	(\$92,955)	(\$92,837)	(\$92,719)	(\$92,600)	(\$92,481)	(\$125,722)	(\$1,153,227)
Income Taxes 6/	(\$19,666)	(\$19,642)	(\$19,618)	(\$19,594)	(\$20,356)	(\$19,545)	(\$19,521)	(\$19,496)	(\$19,471)	(\$19,446)	(\$19,421)	(\$26,402)	(\$242,178)
Less: Production Tax Credit 7/	83,416	54,293	59,783	49,404	57,916	51,295	51,480	40,830	50,546	80,149	67,853	87,654	734,619
ARAM Amortization	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	2,943	35,318
Net Income Taxes	(\$106,025)	(\$76,878)	(\$82,344)	(\$71,941)	(\$81,215)	(\$73,783)	(\$73,944)	(\$63,269)	(\$72,960)	(\$102,538)	(\$90,217)	(\$117,001)	(\$1,012,115)
Operating Income	\$36,131	\$6,984	\$12,450	\$2,047	\$7,575	\$3,889	\$4,050	(\$6,625)	\$3,066	\$32,644	\$20,323	\$13,752	\$136,286
Increase in Operating Income Required	\$32,298	\$61,125	\$55,338	\$65,418	\$59,566	\$62,926	\$62,438	\$72,784	\$62,762	\$32,852	\$44,839	\$51,075	\$663,421
Gross Revenue Conversion Factor 6/	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	\$40,883	\$77,373	\$70,048	\$82,807	\$75,400	\$79,653	\$79,035	\$92,131	\$79,445	\$41,585	\$56,758	\$64,652	\$839,770
Gross Receipts Tax (.0015)	61	116	105	124	113	119	119	138	119	62	85	97	1,258
Total Revenue Requirement	\$40,944	\$77,489	\$70,153	\$82,931	\$75,513	\$79,772	\$79,154	\$92,269	\$79,564	\$41,647	\$56,843	\$64,749	\$841,028

2023 Footnotes:

Factor #15 - Int. System 12 Month Peak Demand: 4.685372%
 Factor #271 - Integrated Peak and Energy: 4.724380%

1/ Investment tax credit: Thunder Spirit

	<u>Investment Tax Credit</u>		<u>Deferred Tax</u>
Estimated 2023 Activity:	\$1,769,699	Estimated 2023 Activity:	\$371,637
SD Factor #271:	4.724380%	SD Factor #271:	4.724380%
SD projected activity:	83,607	SD projected activity:	17,558
Monthly:	\$6,967	Monthly:	\$1,463

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

	<u>Thunder Spirit</u>		<u>Infrastructure Projects</u>
2023 DIT activity:	(\$1,483,834)	2023 DIT activity:	\$694,438
SD Factor #271:	4.724380%	SD Factor #15:	4.685372%
SD DIT Activity:	(\$70,102)	SD DIT Activity:	\$32,537
Monthly Activity:	(\$5,842)	Monthly Activity:	\$2,711

	January	February	March	April	May	June	July	August	September	October	November	December
Thunder Spirit:	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Transmission Assets:	(5,362)	(4,914)	(4,418)	(3,938)	(3,441)	(2,961)	(2,465)	(1,969)	(1,489)	(993)	(512)	(16)
	2,488	2,280	2,050	1,827	1,597	1,374	1,144	914	691	461	238	7

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

4/ Projected O&M:

Budgeted O&M Labor & Benefits:	\$112,858	Budgeted Annual Easement:	\$706,136
Budgeted O&M Maintenance:	3,644,536	SD Factor #271:	4.724380%
Budgeted O&M Other Costs:	19,987	Budgeted SD O&M:	\$33,361
Total Budgeted O&M:	\$3,777,381		
SD Factor #271:	4.724380%		
Budgeted SD O&M:	\$178,458		
Monthly Budgeted O&M:	\$14,872		

5/ Taxes Other Than Income:

Thunder Spirit:

Rated Capacity:	155,500	Capacity and Generation Tax:	\$677,534
Capacity Tax Rate:	\$2.50	Thunder Spirit Est. Property Taxes:	7,922
Capacity Tax:	\$388,750	Total:	\$685,456
		SD Factor. #271:	4.724380%
2022 Generation:	577,567,330	South Dakota:	\$32,384
Generation Tax Rate:	\$0.0005	Monthly:	\$2,699
Generation Tax:	\$288,784		

Infrastructure Projects:

Estimated 2022 Property Tax:	\$179,143
SD Fac. #15:	4.685372%
Estimated SD Property Tax:	\$8,394
Direct SD Property Tax:	1,013
Total South Dakota Property Tax:	\$9,407
Monthly:	\$784

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

7/ Production Tax Credit.

	January	February	March	April	May	June	July	August	September	October	November	December
Thunder Spirit:	67,910,000	44,200,000	48,670,000	40,220,000	47,150,000	41,760,000	41,910,000	33,240,000	41,150,000	65,250,000	55,240,000	71,360,000
Projected PTC (rate \$.026/Kwh):	\$1,765,660	\$1,149,200	\$1,265,420	\$1,045,720	\$1,225,900	\$1,085,760	\$1,089,660	\$864,240	\$1,069,900	\$1,696,500	\$1,436,240	\$1,855,360
Projected SD PTC (Factor #271):	\$83,416	\$54,293	\$59,783	\$49,404	\$57,916	\$51,295	\$51,480	\$40,830	\$50,546	\$80,149	\$67,853	\$87,654