

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 MATERIALS AND SUPPLIES
 TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT C**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$1,744,364	\$1,745,699	
January 2022	1,636,172	1,667,105	
February	1,648,759	1,663,692	
March	1,697,489	1,697,489	
April	1,708,238	1,708,238	
May	1,790,865	1,790,865	
June	1,822,560	1,822,560	
July	1,810,586	1,810,586	
August	1,810,348	1,810,348	
September	1,838,624	1,838,624	
October	1,846,430	1,846,430	
November	1,826,975	1,826,975	
December	1,745,699	1,745,699	
Thirteen month average		<u>\$1,767,255</u>	<u>\$21,556</u>

1/ Actuals through February 2023. Pro forma March - December 2023 reflects prior year actuals.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 FUEL STORES
 TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT D**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$202,787	\$219,391	
January 2022	191,688	235,575	
February	184,407	231,016	
March	177,936	177,936	
April	226,870	226,870	
May	264,607	264,607	
June	215,370	215,370	
July	177,782	177,782	
August	161,802	161,802	
September	166,558	166,558	
October	175,347	175,347	
November	202,596	202,596	
December	219,391	219,391	
Thirteen month average		<u>\$205,711</u>	<u>(\$13,680)</u>

1/ Actuals through February 2023. Pro forma March - December 2023 reflects prior year actuals.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 PREPAID INSURANCE
 TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT E**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$19,807	\$18,841	
January 2022	141,006	130,689	
February	129,124	118,727	
March	115,257	104,987	
April	123,262	115,971	
May	108,179	101,961	
June	100,144	87,951	
July	84,459	73,941	
August	67,603	59,931	
September	52,171	45,921	
October	36,768	31,917	
November	19,034	31,907	
December	18,841	17,962	
Thirteen month average		<u>\$72,362</u>	<u>\$53,521</u>

1/ Actuals through February 2023. Pro forma balances reflect pro forma insurance expenses as shown in Workpaper Statement F, page 1.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 UNAMORTIZED GAIN (LOSS) ON DEBT
 FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT F**

	Unamortized Loss on Debt	Accumulated DIT Unamortized Loss on Debt
Balance at December 31, 2021	<u>\$90,684</u>	<u>(\$19,044)</u>
Balance at December 31, 2022	77,708	(16,319)
2023 Amortization 1/	<u>(23,847)</u>	<u>5,008</u>
Balance at December 31, 2023	\$53,861	(\$11,311)
Pro Forma Adjustment	<u><u>(\$23,847)</u></u>	<u><u>\$5,008</u></u>

1/ Reflects a reallocation of balance and current amortization.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 RETIRED POWER PLANTS AMORTIZATION
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT G**

	<u>Unamort. Balance</u>	<u>Accumulated DIT</u>
Balance at December 31, 2021	(\$20,896)	\$4,388
Balance at December 31, 2022	(16,252)	3,413
2023 Amortization 1/	<u>4,644</u>	<u>(975)</u>
Balance at December 31, 2023	(\$11,608)	\$2,438
Pro Forma Adjustment	<u><u>\$4,644</u></u>	<u><u>(\$975)</u></u>

1/ See Rule 20:10:13:86, Statement J, page 1. Amortized over ten years. Fully amortized in 2025.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
UNAMORTIZED REDEMPTION OF PEF STOCK
TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT H**

	<u>Unamort. Balance</u>
Balance at December 31, 2021	\$15,495
Balance at December 31, 2022	14,138
2023 Amortization 1/	<u>(1,357)</u>
Pro Forma Balance at December 31, 2023	\$12,781
Pro Forma Adjustment	<u><u>(\$1,357)</u></u>

1/ See Rule 20:10:13:86, Statement J, page 1. Amortized over fifteen years. Fully amortized in 2032.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
UNAMORTIZED REGULATORY COMMISSION EXPENSE
TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT I**

	<u>Pro Forma</u>	<u>Acc. Deferred Inc. Tax</u>
Balance at December 31, 2022	\$0	\$0
Pro Forma Balance at December 31, 2023	<u>940,078</u>	<u>(197,416)</u>
Pro Forma Adjustment	<u><u>\$940,078</u></u>	<u><u>(\$197,416)</u></u>

1/ Reflects 5-year amortization of projected rate case expenses.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 PROVISION FOR PENSIONS AND BENEFITS
 ACCUMULATED DEFERRED INCOME TAXES ON PENSIONS
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT J**

	<u>Total</u>	<u>Provision for Pension</u>	<u>DIT on Pension</u>
Balance at December 31, 2021	\$0	\$0	\$0
Balance at December 31, 2022	0	0	0
Pro Forma balance at December 31, 2023 1/	\$926,138	\$1,215,502	(\$289,364)
Pro Forma Adjustment	<u>\$926,138</u>	<u>\$1,215,502</u>	<u>(\$289,364)</u>

1/ Provision allocated to electric segment on Factor No. 27 and South Dakota operations on Factor No. 24. Please see Workpaper Statement F, page 2.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 PROVISION FOR POST RETIREMENT
 ACCUMULATED DEFERRED INCOME TAXES ON PENSIONS
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT K**

	<u>Total</u>	<u>Provision for Pension</u>	<u>DIT on Pension</u>
Balance at December 31, 2021	\$0	\$0	\$0
Balance at December 31, 2022	0	0	0
Pro Forma balance at December 31, 2023 1/	\$253,479	\$329,370	(\$75,891)
Pro Forma Adjustment	<u>\$253,479</u>	<u>\$329,370</u>	<u>(\$75,891)</u>

1/ Provision allocated to electric segment on Factor No. 27 and South Dakota operations on Factor No. 24. Please see Statement Workpaper F, page 3.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 PROVISION FOR POWER PLANT RETIREMENT -
 LEWIS & CLARK UNIT I AND HESKETT UNITS I & II
 TWELVE MONTHS ENDED DECEMBER 31, 2022
 ADJUSTMENT L**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$1,646,192	\$0	
January 2022	1,606,677	0	
February	1,566,943	0	
March	3,198,487	0	
April	3,114,285	0	
May	3,027,180	0	
June	2,986,106	0	
July	2,959,706	0	
August	2,881,655	0	
September	2,815,960	0	
October	2,693,866	0	
November	2,596,660	0	
December	2,500,775	0	
13 month average		<u>\$0</u>	<u>(\$2,500,775)</u>
ADIT	(\$525,163)	\$0 2/	

1/ Regulatory asset balance proposed to be recovered in the Infrastructure Rider upon approval of final rates in this proceeding.

2/ Based on pro forma year end balance.

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
CASH WORKING CAPITAL
TWELVE MONTHS ENDED DECEMBER 31, 2022
ADJUSTMENT M

<u>Operation & Maintenance</u>	<u>Pro Forma</u>	<u>Cash Expense Per Day</u>	<u>Expense Lead Days 1/</u>	<u>Expense Dollar Days</u>
Fuel and Purchase Power	\$3,344,686	\$9,164	8.96	\$82,109
Labor	2,545,428	6,974	30.42	212,149
Benefits	446,136	1,222	12.33	15,067
Subcontract Labor	649,444	1,779	33.71	59,970
Big Stone & Coyote	562,239	1,540	33.71	51,913
Materials	94,516	259	33.71	8,731
Vehicles and Work Equipment	261,861	717	33.71	24,170
Company Consumption	36,500	100	33.71	3,371
Postage	41,238	113	33.71	3,809
Uncollectible Accounts	48,560	133	33.71	4,483
Advertising	9,913	27	33.71	910
Insurance	199,821	547	33.71	18,439
Software Maintenance	195,606	536	33.71	18,069
Industry Dues	47,378	130	33.71	4,382
Rent Expense	140,498	385	33.71	12,978
Annual Easements	56,130	154	33.71	5,191
Regulatory Commission Expense	189,787	520	33.71	17,529
Office Supplies Expense	30,284	83	33.71	2,798
All Other O&M	194,452	533	33.71	17,967
Total O&M	<u>\$9,094,477</u>	<u>\$24,916</u>		<u>\$564,035</u>
 <u>Taxes</u>				
Ad Valorem Tax	\$682,730	\$1,870	398.71	\$745,588
Secretary of State Tax	117	0	-49.50	0
Highway Use Tax	484	1	-136.50	(137)
Wholesale Energy Tax (WET)	5,534	15	71.81	1,077
Generation Tax (EEL)	965	3	72.10	216
South Dakota Gross Receipts	25,072	69	364.50	25,151
Coyote Coal Conversion	10,397	28	1.09	31
Payroll Tax	172,325	472	22.25	10,502
Delaware Franchise Fee	2,022	6	99.50	597
Wind Generation Tax	32,493	89	182.96	16,283
Income Tax	(904,748)	(2,479)	37.88	(93,905)
Total Taxes	<u>\$932,139</u>	<u>\$2,553</u>		<u>\$799,308</u>
Interest on Short-Term Debt	\$232,565	637	18.30	\$11,657
Interest on Long-Term Debt	1,488,565	4,078	91.13	371,628
Total Interest	<u>\$1,721,130</u>	<u>\$4,715</u>		<u>\$383,285</u>
Total	<u>\$11,747,746</u>	<u>\$32,184</u>	54.27	<u>\$1,746,628</u>
Revenue Lag Days			42.68	
Expense Lead Days			<u>54.27</u>	
Net Days			-11.59	
Cash Expense per Day			\$32,184	
Cash Working Capital				<u><u>(\$373,013)</u></u>
	<u>Short Term Wght Cost of Debt</u>	<u>Long Term Wght Cost of Debt</u>		
Adjusted Rate Base 2/	\$74,540,055	\$74,540,055		
Cost of Debt	0.312%	1.997%		
Interest on Debt	\$232,565	\$1,488,565		

1/ See Workpaper Statement F, page 4.

2/ Represents the Pro Forma Rate Base found in Rule 20:10:13:96, Statement M, page 6 excluding the Cash Working Capital Adjustment.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 CUSTOMER ADVANCES FOR CONSTRUCTION
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT N**

	<u>Per Books</u>	<u>Pro Forma 1/</u>	<u>Pro Forma Adjustment</u>
December 2021	\$87,292	\$86,047	
January 2022	86,510	86,047	
February	86,510	86,047	
March	86,510	86,047	
April	86,510	86,047	
May	86,510	86,047	
June	92,600	86,047	
July	92,600	86,047	
August	92,600	86,047	
September	92,600	86,047	
October	86,047	86,047	
November	86,047	86,047	
December	86,047	86,047	
13 month average		<u>\$86,047</u>	<u>\$0</u>
ADIT	(\$18,071)	(\$18,071) 2/	

1/ Reflects actual balances through February 2023.

2/ Based on pro forma year end balance.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 INVESTMENT TAX CREDIT
 TWELVE MONTHS ENDING DECEMBER 31, 2022
 ADJUSTMENT O**

	<u>Unamort. Balance</u>	<u>Accumulated DIT</u>
Balance at December 31, 2021	\$116,884	(\$28,525)
Balance at December 31, 2022	147,981	(36,115)
2023 Amortization	<u>83,607</u> 1/	<u>(17,557)</u>
Balance at December 31, 2023	\$231,588	(\$53,672)
Pro Forma Adjustment	<u><u>\$83,607</u></u>	<u><u>(\$17,557)</u></u>

1/ Estimated activity as reported in Docket No. EL23-006.

Pro Forma Activity:	\$1,769,699
Allocation Factor #271:	<u>4.724380%</u>
South Dakota Activity:	\$83,607