

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
DETAILED COSTS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

<u>Ferc Minor</u>	<u>Object</u>	<u>Description</u>	<u>Expense</u>
501	5110	Labor	\$6,324
501	5120	Labor	1,177
501	5130	Labor	56
501	5131	Labor	101
501	5193	Labor	18
501	5211	Subcontract Labor	509
501	5250	Big Stone - Coal	449,436
501	5250	Big Stone - Fuel Handling	3,941
501	5260	Coyote - Coal	709,817
501	5260	Coyote - Fuel Handling	1,299
501	5311	Material	110
501	5891	Other	42
501	6012	Coal	104,213
501	6017	Tires	2,760
			<u>\$1,279,803</u>
547	6011	Natural Gas and Pipeline	\$155,982
547	6014	Natural Gas	13,687
547	6019	Natural Gas	5,211
			<u>\$174,880</u>
555	6020	Purchased Power	\$2,239,855
		Total Fuel and Purchased Power	<u><u>\$3,694,538</u></u>
Summary			
		Fuel 1/	\$1,441,106
		Purchased Power	2,239,855
		Total	<u>\$3,680,961</u>
		<u>Other Non-Fuel Costs</u>	
		Fuel Handling	\$5,240
		Labor	7,676
		Subcontract Labor	509
		Materials	110
		Other	42
		Total	<u>\$13,577</u>
		Total Fuel and Purchased Power	<u><u>\$3,694,538</u></u>

1/ Excluding Fuel Handling.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
SOUTH DAKOTA SUMMARY
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	South Dakota	
	Per Books 1/	Pro Forma 2/
<u>Fuel and Purchased Power Costs</u>		
Accounts 501 Coal and 547 Gas	\$1,357,429	\$1,406,748
Account 502 Reagent	73,423	76,209
Account 555 Energy	1,828,656	1,634,355
Accounts 555 Demand and 547 Pipeline	199,630	206,761
Account 575 Market Admin.	20,719	20,613
Total Fuel and Purchased Power Costs	<u>\$3,479,857</u>	<u>\$3,344,686</u>
<u>Less Revenues</u>		
Production Tax Credits	\$0	\$1,032,563
Wholesale Sales	99,729	129,977
Sale of RECs	106,686	107,550
Total Revenues	<u>\$206,415</u>	<u>\$1,270,090</u>
Net System Cost	\$3,273,442	\$2,074,596
kWh Retail Sales	143,559,635	143,559,635
Cost Per kWh	<u>\$0.02280</u>	<u>\$0.01445</u>

Cost Per Kwh

	Per Books 1/	Pro Forma 2/
Integrated System	\$0.02301	\$0.01439
South Dakota	\$0.02280	\$0.01445

1/ Excludes non-fuel expenses that are recorded in Fuel and Purchased Power account.

2/ Pro Forma expenses reflect Integrated System only. Wyoming Fuel and Purchased Power costs are excluded.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
INTEGRATED SYSTEM SUMMARY
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	Integrated System	
	Per Books 1/	Pro Forma 2/
<u>Fuel Costs</u>		
Account 501 - Coal	\$27,416,433	\$28,696,080
Account 547 - Gas	1,505,693	682,300
Account 502 - Reagent	1,476,092	1,591,534
Account 575 - Market Admin.	441,451	430,481
Total Fuel Costs	<u>\$30,839,669</u>	<u>\$31,400,395</u>
 <u>Purchased Power, Demand, and Pipeline Costs</u>		
Account 555 - Energy	\$39,305,586	\$34,131,683
Account 555 - Demand	1,918,306	2,520,180
Account 547 - Pipeline	2,095,069	1,892,730
Total Purchased Power and Pipeline Costs	<u>\$43,318,961</u>	<u>\$38,544,593</u>
 <u>Other Costs</u>		
Deferred Fuel and Purchased Power	8,818,307	0
Total Other Costs	<u>\$8,818,307</u>	<u>\$0</u>
 Total Cost	 <u>\$82,976,937</u>	 <u>\$69,944,988</u>
 <u>Less Revenues</u>		
Production Tax Credits	\$0	\$21,856,044
Wholesale Sales	2,124,879	2,714,420
Sale of RECs	2,246,053	2,246,053
Total Revenues	<u>\$4,370,932</u>	<u>\$26,816,517</u>
 Net System Cost	 <u><u>\$78,606,005</u></u>	 <u><u>\$43,128,471</u></u>

1/ Excludes non-fuel expenses that are recorded in Fuel and Purchased Power account.

2/ Pro Forma expenses reflect Integrated System only. Wyoming Fuel and Purchased Power costs are excluded.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
EXCLUDING PRODUCTION TAX CREDITS
SOUTH DAKOTA SUMMARY
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	South Dakota	
	Per Books 1/	Pro Forma 2/
<u>Fuel and Purchased Power Costs</u>		
Accounts 501 Coal and 547 Gas	\$1,357,429	\$1,406,748
Account 502 Reagent	73,423	76,209
Account 555 Energy	1,828,656	1,634,355
Accounts 555 Demand and 547 Pipeline	199,630	206,761
Account 575 Market Admin.	20,719	20,613
Total Fuel and Purchased Power Costs	<u>\$3,479,857</u>	<u>\$3,344,686</u>
<u>Less Revenues</u>		
Production Tax Credits	\$0	\$0
Wholesale Sales	99,729	129,977
Sale of RECs	106,686	107,550
Total Revenues	<u>\$206,415</u>	<u>\$237,527</u>
Net System Cost	\$3,273,442	\$3,107,159
kWh Retail Sales	143,559,635	143,559,635
Cost Per kWh	<u>\$0.02280</u>	<u>\$0.02164</u>

Cost Per Kwh

	Per Books 1/	Pro Forma 2/
Integrated System	\$0.02301	\$0.02168
South Dakota	\$0.02280	\$0.02164

1/ Excludes non-fuel expenses that are recorded in Fuel and Purchased Power account.

2/ Pro Forma expenses reflect Integrated System only. Wyoming Fuel and Purchased Power costs are excluded.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
EXCLUDING PRODUCTION TAX CREDITS
INTEGRATED SYSTEM SUMMARY
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	Integrated System	
	Per Books 1/	Pro Forma 2/
<u>Fuel Costs</u>		
Account 501 - Coal	\$27,416,433	\$28,696,080
Account 547 - Gas	1,505,693	682,300
Account 502 - Reagent	1,476,092	1,591,534
Account 575 - Market Admin.	441,451	430,481
Total Fuel Costs	<u>\$30,839,669</u>	<u>\$31,400,395</u>
 <u>Purchased Power, Demand, and Pipeline Costs</u>		
Account 555 - Energy	\$39,305,586	\$34,131,683
Account 555 - Demand	1,918,306	2,520,180
Account 547 - Pipeline	2,095,069	1,892,730
Total Purchased Power and Pipeline Costs	<u>\$43,318,961</u>	<u>\$38,544,593</u>
 <u>Other Costs</u>		
Deferred Fuel and Purchased Power	8,818,307	0
Total Other Costs	<u>\$8,818,307</u>	<u>\$0</u>
 Total Cost	 \$82,976,937	 \$69,944,988
 <u>Less Revenues</u>		
Production Tax Credits	\$0	\$0
Wholesale Sales	2,124,879	2,714,420
Sale of RECs	2,246,053	2,246,053
Total Revenues	<u>\$4,370,932</u>	<u>\$4,960,473</u>
 Net System Cost	 <u><u>\$78,606,005</u></u>	 <u><u>\$64,984,515</u></u>

1/ Excludes non-fuel expenses that are recorded in Fuel and Purchased Power account.

2/ Pro Forma expenses reflect Integrated System only. Wyoming Fuel and Purchased Power costs are excluded.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
GENERATION AND PURCHASED POWER KWH AND EXPENSE
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	kWh		Expense		Cost Per MWh	
	Per Books	Pro Forma	Per Books	Pro Forma	Per Books	Pro Forma
<u>Steam Generation</u>						
Heskett Unit I	11,691,000	0	\$606,933	\$0	\$51.91	N/A
Heskett Unit II	35,354,800	0	1,672,307	0	47.30	N/A
Big Stone	430,748,312	550,790,000	9,575,937	12,592,420	22.23	22.86
Coyote	571,388,622	605,800,000	15,561,256	16,103,660	27.23	26.58
Total Steam Generation	1,049,182,734	1,156,590,000	\$27,416,433	\$28,696,080	\$26.13	\$24.81
<u>Gas Generation</u>						
Miles City	582,780	290,000	\$189,523	\$25,260	\$325.21	\$87.10
Glendive Unit I	749,762	0	173,930	0	231.98	N/A
Glendive Unit II	1,510,187	1,320,000	259,004	70,480	171.50	53.39
Heskett Unit III	3,551,000	1,450,000	598,475	117,670	168.54	81.15
Heskett Unit IV	0	260,000	0	26,970	N/A	103.73
Lewis and Clark Unit II	1,539,000	4,250,000	171,404	142,800	111.37	33.60
Portable Generator	8,442	0	2,335	0	276.59	N/A
Total Gas Generation	7,941,171	7,570,000	\$1,394,672	\$383,180	\$175.63	\$50.62
<u>Renewable and Other Generation</u>						
Diamond Willow	91,105,020	96,040,000	\$0	\$0	\$0.00	\$0.00
Glen Ullin Station - Ormat	13,883,628	36,790,000	111,021	299,120	8.00	8.13
Cedar Hills	64,545,620	59,370,000	0	0	0.00	0.00
Thunder Spirit	577,567,330	598,060,000	0	0	0.00	0.00
Total Renewable and Other Generation	747,101,598	790,260,000	\$111,021	\$299,120	\$0.15	\$0.38
Total Generation	1,804,225,503	1,954,420,000	\$28,922,126	\$29,378,380	\$16.03	\$15.03
<u>Purchased Power</u>						
Total Purchased Power	1,490,641,656	1,390,410,000	\$39,305,586	\$34,131,683	\$26.37	\$24.55
Total Generation and Purchased Power	3,294,867,159	3,344,830,000	\$68,227,712	\$63,510,063	\$20.71	\$18.99

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
OTHER EXPENSES
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	Per Books	Pro Forma	Percent Change
<u>Account 502 Reagent</u>			
Hesket Unit II	\$139,033	\$0	-100.00%
Lewis and Clark Unit II	9,819	27,115	176.15%
Big Stone	719,807	920,404	27.87%
Coyote	607,433	644,015	6.02%
Total Account 502 Reagent	<u>\$1,476,092</u>	<u>\$1,591,534</u>	<u>7.82%</u>
<u>Accounts 555 Demand and 547 Pipeline</u>			
Total Account 555 Demand and 547 Pipeline	\$4,013,375	\$4,412,910	9.96%
<u>Account 575 Market Admin.</u>			
Market Admin.	\$441,451	\$430,481	-2.48%
Total Account 575 Market Admin.	<u>\$441,451</u>	<u>\$430,481</u>	<u>-2.48%</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
REVENUES
COMPARISON OF PER BOOKS 2022 TO PRO FORMA 2023**

	<u>Per Books</u>	<u>Pro Forma</u>	<u>Percent Change</u>
<u>Production Tax Credits</u>			
Diamond Willow	\$0	\$2,173,057	1/ N/A
Thunder Spirit	0	19,682,987	1/ N/A
Total Production Tax Credits	<u>\$0</u>	<u>\$21,856,044</u>	<u>N/A</u>
Wholesale Sales	\$2,124,879	\$2,714,420	27.74%
Sale of RECs	\$2,246,053	\$2,246,053	0.00%
Total Revenues	<u><u>\$4,370,932</u></u>	<u><u>\$26,816,517</u></u>	<u><u>513.52%</u></u>

1/ Calculated with federal tax rate.

Inverse of Tax Rate (1-21% Federal)

0.79