

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF ADJUSTMENTS TO PER BOOKS TAXABLE INCOME
ELECTRIC UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022

<u>Operating Income</u>	Reference	Pro Forma Adjustment
<u>Current Income Taxes</u>		
Interest Expense Annualization 1/	Statement K, Page 9	(\$311,289)
Book Depreciation on Plant 1/	Statement K, Page 10	3,358,191
Tax Depreciation on Plant 1/	Statement K, Page 10	(3,552,149)
Income Taxes on Pro Forma Adjustments	Statement K, Page 11	(139,133)
Elimination of Closing/Filing	Statement K, Page 13	58,322
Production Tax Credit	Statement K, Page 12	(87,018)
<u>Deferred Income Taxes</u>		
Elimination of Closing/Filing from		
Deferred Income Taxes	Statement K, Page 13	(71,520)
Plant Excess Deferred Taxes - ARAM	Statement K, Page 14	54,737
Deferred Income Taxes on Plant	Statement K, Page 10	40,731
<u>Rate Base</u>		
Accumulated Deferred Income Taxes -		
Liberalized Depreciation	Statement K, Page 18	40,731
Excess Deferred Income Taxes	Statement K, Page 14	(98,561)
Decommissioning of Power Plants	Statement K, Page 18	66,845
Contribution in Aid of Construction	Statement K, Page 18	0
Unamortized Loss on Debt	Statement K, Page 18	(5,008)
Retired Power Plant	Statement K, Page 18	975
Accelerated Amortization	Statement K, Page 18	0
Unamort. Regulatory Commission Exp.	Statement K, Page 18	197,416
Provision for Pension Benefits	Statement K, Page 18	289,364
Provision for Post Retirement	Statement K, Page 18	75,891
Regulatory Asset - L&C I and Heskett I & II	Statement K, Page 18	(525,163)
Customer Advances	Statement K, Page 18	0
Investment Tax Credit	Statement K, Page 18	(17,557)

1/ Amount is shown before income tax effect.

**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility			Non-Utility	Total Company
	Electric	Gas	Total		
Operating Revenue	\$377,258,129	\$474,963,704	\$852,221,833		\$852,221,833
Non-Utility Income (before income taxes)				\$7,704,876	7,704,876
Total Revenue	<u>\$377,258,129</u>	<u>\$474,963,704</u>	<u>\$852,221,833</u>	<u>\$7,704,876</u>	<u>\$859,926,709</u>
Operating Expense:					
O&M Expense	\$210,295,367	408,255,059	618,550,426	9,394,768	627,945,194
Depreciation Expense	\$67,574,084	28,575,476	96,149,560		96,149,560
Taxes Other than Income	16,893,689	14,196,934	31,090,623	33,989	31,124,612
Total Operating Expense	<u>294,763,140</u>	<u>451,027,469</u>	<u>745,790,609</u>	<u>9,428,757</u>	<u>755,219,366</u>
Operating Income	82,494,989	23,936,235	106,431,224	(1,723,881)	104,707,343
Interest Expense/Other Inc. & Deduct.	28,540,362	9,607,685	38,148,047	(1,696,153)	36,451,894
Accrued Tax Interest					
Book Taxable Income before Adjustments	<u>53,954,627</u>	<u>14,328,550</u>	<u>68,283,177</u>	<u>(27,728)</u>	<u>68,255,449</u>
Deductions and Adjustments to Book Income:					
Tax Deductions and Adjustments 1/	30,436,825	(12,022,512)	18,414,313	(1,661,753)	16,752,560
Total Deductions and Adjustments	<u>30,436,825</u>	<u>(12,022,512)</u>	<u>18,414,313</u>	<u>(1,661,753)</u>	<u>16,752,560</u>
Taxable Income - Before State Income Tax	23,517,802	26,351,062	49,868,864	1,634,025	51,502,889
Less: Deductible State Income Taxes	(1,008,769)	(1,131,562)	(2,140,331)	1,429,817	(710,514)
Federal Taxable Income	<u>22,509,033</u>	<u>25,219,500</u>	<u>47,728,533</u>	<u>3,063,842</u>	<u>50,792,375</u>
Federal Income Taxes @ 21%	4,726,897	5,296,095	10,022,992	643,407	10,666,399
Credits and Adjustments	(15,894,826)	(464,679)	(16,359,505)		(16,359,505)
State Income Taxes	1,008,769	1,131,562	2,140,331	(1,429,817)	(710,514)
Federal and State Income Taxes	<u>(10,159,160)</u>	<u>5,962,978</u>	<u>(4,196,182)</u>	<u>(786,410)</u>	<u>(6,403,620)</u>
Closing and Prior Year's Adjustment	(1,483,168)	39,609	(1,443,559)	695,775	(747,784)
Total Federal and State Income Taxes	<u><u>(\$11,642,328)</u></u>	<u><u>\$6,002,587</u></u>	<u><u>(\$5,639,741)</u></u>	<u><u>(\$90,635)</u></u>	<u><u>(\$7,151,404)</u></u>

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**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility		Total	Non-Utility	Total Company
	Electric	Gas			
<u>Property Timing Differences</u>					
AFUDC Equity	(\$806,083)	(\$177,495)	(\$983,578)	\$1,587,556	\$603,978
AFUDC CWIP	(972,856)	9,471	(963,385)		(963,385)
Contributions in Aid of Construction (CIAC)	(6,353,204)	304,743	(6,048,461)	532,552	(5,515,909)
Net Negative Salvage	(51,110)		(51,110)		(51,110)
Property Timing Differences	53,145,779	4,528,242	57,674,021	(648,312)	57,025,709
Decommissioning	(1,242,253)		(1,242,253)		(1,242,253)
Total Property Timing Differences	43,720,273	4,664,961	48,385,234	1,471,796	49,857,030
<u>Other Timing Differences</u>					
Reserved Revenue	(\$932,441)		(\$932,441)		(\$932,441)
Bad Debts Expense	(106,027)	(180,084)	(286,111)		(286,111)
Incentive Compensation	1,805,768	1,413,070	3,218,838		3,218,838
Property Insurance Recovery	(672,427)	(232,639)	(905,066)		(905,066)
Property Insurance Reserve	1,197,850	414,419	1,612,269		1,612,269
Vacation Pay	(181,096)	(42,293)	(223,389)		(223,389)
Customer Advances	239,826	(2,644,710)	(2,404,884)		(2,404,884)
Prepaid Demand Charge		556,842	556,842		556,842
Prepaid Expenses	8,509	6,658	15,167		15,167
F&PP Deferral	(2,218,161)		(2,218,161)		(2,218,161)
ND Generation Resource Recovery Rider	(49,832)		(49,832)		(49,832)
MT Ad Valorem Tax Tracker	980,927	(556,514)	424,413		424,413
SD Conservation Tracking Adjustment		(37,134)	(37,134)		(37,134)
MT Conservation Tracking Adjustment		(13,010)	(13,010)		(13,010)
Purchased Gas Adjustment		(15,741,889)	(15,741,889)		(15,741,889)
ND Transmission Tracker	(601,178)		(601,178)		(601,178)
ND Renewable Resource Recovery Rider	(468,930)		(468,930)		(468,930)
Sundry Reserves	(36,565)	(12,650)	(49,215)		(49,215)
MN Decoupling		(1,265,729)	(1,265,729)		(1,265,729)
MT PSC/MCC Tax Deferral	(93,222)	(40,873)	(134,095)		(134,095)

**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility		Non-Utility	Total Company
	Electric	Gas		
SD Infrastructure Rider				
SD Transmission Cost Recovery Rider	278,826		278,826	278,826
Mor-Gran-Sou Capacity Revenue	81,806		81,806	81,806
WAPA Fiber Demand Revenue	49,315		49,315	49,315
Pension	(1,085,609)	(1,719,582)	(2,805,191)	(2,805,191)
Pension - Intercompany	1,651,543	2,616,010	4,267,553	4,267,553
Postretirement	(2,149,262)	(3,404,386)	(5,553,648)	(5,553,648)
Postretirement - Intercompany	(208,180)	(329,752)	(537,932)	(537,932)
Deferred Compensation	(144,963)	(229,618)	(374,581)	(374,581)
Deferred Compensation - Officers	33,481	11,584	45,065	45,065
PCB Related Income		2,598	2,598	2,598
Unamortized Loss on Reacquired Debt	(423,597)	(122,766)	(546,363)	(546,363)
Preferred Stock Redemption Amortization - Reg Asset	(32,226)	(7,774)	(40,000)	(40,000)
Manufactured Gas Plant Site - Missoula - Reg Asset		246,108	246,108	246,108
Manufactured Gas Plant Site - Missoula - Reg Liability		(70,237)	(70,237)	(70,237)
Manufactured Gas Plant Site - Billings - Reg Asset		19,919	19,919	19,919
ND Renewable Resource Recovery Rider - Noncurrent	(6,298,380)		(6,298,380)	(6,298,380)
Regulatory Commission Expense - Non Rate Base	398,948	(473,087)	(74,139)	(74,139)
Pension - Reg Asset	1,400,893	2,218,985	3,619,878	3,619,878
Pension Intercompany - Reg Asset	(1,651,543)	(2,616,010)	(4,267,553)	(4,267,553)
Postretirement - Reg Asset	3,236,933	5,127,234	8,364,167	8,364,167
Postretirement - Intercompany - Reg Asset	208,180	329,752	537,932	537,932
Deferred Medicare Part D	47,330	96,027	143,357	143,357
Payroll Tax Deferral	753,020	1,192,767	1,945,787	1,945,787
Abandoned Power Plant Cost Recovery	(300,046)		(300,046)	(300,046)
Retired Power Plant	4,644		4,644	4,644
Gain on Building Sale - Reg Liability	43,618	17,564	61,182	61,182
Loss on Building Sale - Reg Asset	(105,713)	(40,007)	(145,720)	(145,720)
ND Generation Resource Recovery Rider - Lewis & Clark Plant-Related	(1,852,194)		(1,852,194)	(1,852,194)
ND Generation Resource Recovery Rider - Lewis & Clark Other	(311,125)		(311,125)	(311,125)
SD Infrastructure Rider - Lewis & Clark Plant-Related	(366,902)		(366,902)	(366,902)
SD Infrastructure Rider - Lewis & Clark Other	(24,609)		(24,609)	(24,609)
ND Generation Resource Recovery Rider - Heskett Plant-Related	20,127,788		20,127,788	20,127,788
ND Generation Resource Recovery Rider - Heskett Other	1,277,018		1,277,018	1,277,018

**MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
TAX DEDUCTIONS
TWELVE MONTHS ENDING DECEMBER 31, 2022**

	Utility		Non-Utility	Total Company
	Electric	Gas		
SD Infrastructure Rider - Heskett Plant-Related	1,118,151			1,118,151
SD Infrastructure Rider - Heskett Other	89,517			89,517
Plant Closure - Reg Asset	(28,545,368)			(28,545,368)
Plant Closure - Reg Liability	1,715,848			1,715,848
Contract Demand		(207,879)		(207,879)
Partnership Ordinary Income/Loss				
SISP/SERP Expense			(241,830)	(241,830)
Total Other Timing Differences	(12,109,857)	(15,719,086)	(27,828,943)	(28,070,773)
<u>Permanent Differences</u>				
Dividend Received Deduction			\$235	\$235
50% Meals and Entertainment				
100% Entertainment	(742)	(581)		(1,323)
Penalties	4,756	3,722		8,478
Qualified Transportation Fringe - Parking	(49,649)	(38,852)		(88,501)
Fuel Tax Credit - Perm	(9,441)	(7,388)		(16,829)
Performance Share Program - Perm	(132,508)	(103,692)		(236,200)
162(M) Executive Compensation	(900,806)	(704,908)		(1,605,714)
Unrealized Gain/Losses on Deferred Compensation	(70,249)	(111,273)		(181,522)
Accrued Tax Interest	(14,952)	(5,415)		(20,367)
Lobbying Expenses			(154,977)	(154,977)
401(k) Dividend Deduction			2,278,285	2,278,285
Unrealized Gain/Losses on SISP/SERP Investments			(5,101,841)	(5,101,841)
SISP/SERP Premium & CSV			86,579	86,579
Total Permanent M-1's	(1,173,591)	(968,387)	(2,891,719)	(5,033,697)
Total Tax Deductions and Adjustments	<u>\$30,436,825</u>	<u>(\$12,022,512)</u>	<u>\$18,414,313</u>	<u>(\$1,661,753)</u>

**MONTANA DAKOTA UTILITIES CO.
 COMPUTATION OF INCOME TAX LIABILITY AND TAX SAVINGS
 BASED ON MDU RESOURCES GROUP, INC. 2021
 CONSOLIDATED FEDERAL INCOME TAX RETURN**

	Montana-Dakota Utilities Co.	MDU Resources Group, Inc. 1/
Net Taxable Income (Loss)	(\$22,354,437)	\$223,849,430
Federal Income Tax:		
Statutory Taxes @ 21%	\$0	\$42,313,949
Less Credits:		
General Business Credit	0	16,479,596
Total Tax	\$0	\$25,834,353
Tax Savings Arising From Consolidation	\$0	

Montana Dakota Utilities Co. is a member of a group that files a consolidated Federal Income Tax Return. There are no tax savings available to Montana-Dakota Utilities Co. as a result of being included in a consolidated tax return during the test period.

1/ Reflects MDU Resources Group, Inc. and includible subsidiaries.

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
ELECTRIC UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022

	South Dakota
Operating Revenue	\$18,339,563
Operating Expense:	
O&M Expense	10,367,844
Depreciation Expense	4,061,972
Taxes Other than Income	836,326
Total Operating Expense	\$15,266,142
Operating Income	\$3,073,421
Interest Expense	1,401,228
Book Taxable Income before Adjustments	\$1,672,193
Deductions and Adjustments to Book Income:	
Tax Deductions 1/	1,308,543
Taxable Income - Before State Income Tax	\$363,650
Less: State Income Taxes	0
Federal Taxable Income	\$363,650
Federal Income Taxes @ 21%	\$76,367
Credits and Adjustments	(26,258)
Production Tax Credit	(728,706)
State Income Taxes	0
Federal and State Income Taxes	(\$678,597)
Prior Year's Adjustment and Rounding	(58,322)
Total Federal and State Income Taxes	(\$736,919)

1/ See Rule 20:10:13:88, Statement K, page 8.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
CALCULATION OF RECORDED STATE AND FEDERAL INCOME TAXES
INCOME TAX DEDUCTIONS
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022**

<u>Property M-1's</u>	<u>South Dakota</u>
AFUDC CWIP	\$13,247
AFUDC Equity	(59,105)
CWIP	(113,800)
Liberalized Depreciation and Other	2,298,989
<u>Other M-1's</u>	
Bad Debt Expense	(\$279)
Incentive Compensation	103,772
Property Insurance	28,609
Vacation Pay	(16,336)
Customer Advances	1,245
Prepaid Expense	489
F&PP Deferral	(260,205)
Sundry Reserves	(1,991)
SD Transmission Rider Deferral	278,826
Mor-Gran_Sou Capacity Revenue	4,069
WAPA Fiber Demand Revenue	2,453
Deferred Pension Expense	32,522
Deferred Postretirement Benefit Costs (FAS 106)	(135,475)
Deferred Compensation- Directors	(6,407)
Unamortized Loss on Reacquired Debt	(22,430)
Preferred Stock Redemption Amortization	(1,357)
Pension Expense	(14,404)
Postretirement Benefits Cost (FAS 158)	197,980
Deferred Medicare Part D	2,641
Payroll Tax Deferral	43,274
Abandoned Power Plant Cost Recovery	(81,436)
Retired Power Plant	4,644
SD Infrastructure Rider Deferral	816,157
Plant Closure - Regulatory Asset/Liability	(1,739,704)
<u>Permanent M-1's</u>	
100% Entertainment	(\$43)
Penalties	273
Qualified Transportation Fringe	(2,853)
Fuel Tax Credit	(542)
Performance Share Program	(7,615)
Executive Compensation	(51,766)
Unrealized Gain/Loss on Deferred Compensation	(4,037)
Accrued Tax Interest	(862)
Total M-1 Deductions	<u>\$1,308,543</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
INTEREST EXPENSE ANNUALIZATION
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT NO. 28**

	<u>Per Books</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Rate Base 1/	\$64,362,566	\$9,804,476	\$74,167,042
Weighted Cost of Debt 2/			2.309%
Interest Expense - Pro Forma			1,712,517
Interest Expense - Per books			<u>1,401,228</u>
Pro Forma Adjustment			<u><u>\$311,289</u></u>

1/ Rule 20:10:13:96, Statement M, page 6.

2/ Rule 20:10:13:72, Statement G, page 1.

MONTANA-DAKOTA UTILITIES CO.
DEFERRED INCOME TAX ON PLANT IN SERVICE
AND PLANT ADDITIONS
ELECTRIC UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT NO. 29

	<u>Pro Forma Total</u>	<u>Plant Additions 1/</u>	<u>Per Books Plant in Service 2/</u>
<u>Tax Depreciation Deduction</u>			
Tax Depreciation	\$3,552,149	\$538,151	\$3,013,998
Book Depreciation 3/	<u>3,358,191</u>	<u>139,837</u>	<u>3,218,354</u>
Net Tax Depreciation	<u>\$193,958</u>	<u>\$398,314</u>	<u>(\$204,356)</u>
 <u>Deferred Income Taxes - Current</u>	 <u>\$40,731</u>	 <u>\$83,646</u>	 <u>(\$42,915)</u>

1/ See Rule 20:10:13:88, Statement K, page 19.

2/ See Workpaper Statement K, pages 1 - 6.

3/ Includes depreciation on accounts charged to clearing accounts.

**MONTANA-DAKOTA UTILITIES CO.
 ELECTRIC UTILITY - SOUTH DAKOTA
 CALCULATION OF ADJUSTMENT TO
 CURRENT INCOME TAXES
 ADJUSTMENT NO. 30**

	<u>Pro Forma Adjustments</u>
Operating Revenues	
Sales Revenues	(\$972,667)
Sales for Resale	32,544
Other Revenues	(967,643)
Total Operating Revenues	<u>(\$1,907,766)</u>
Operating Expenses	
Operation and Maintenance	
Cost of Fuel & Purchased Power	(\$461,995)
Other O&M	(811,372)
Total O&M	<u>(\$1,273,367)</u>
Depreciation Expense	(572,922)
Taxes other Than Income	95,813
Total Operating Expenses	<u>(\$1,750,476)</u>
Gross Adjustments to Operating Income	(\$157,290)
Deductions/(Addbacks) and Adjustments to Book Income:	
Interest Annualization 1/	311,289
Book/Tax Depreciation Difference on Plant 2/	193,958
Total Adjustments to Taxable Income	<u>505,247</u>
Taxable Income	<u>(\$662,537)</u>
Federal Income Taxes @ 21%	(\$139,133)
Production Tax Credit 3/	(\$87,018)
Elimination of Federal & State Prior Period Adj.	58,322
Total Adjustment to Current Income Taxes	<u><u>(\$167,829)</u></u>

1/ Rule 20:10:13:88, Statement K, page 9.
 2/ Rule 20:10:13:88, Statement K, page 10.
 3/ Rule 20:10:13:88, Statement K, page 12.

**MONTANA-DAKOTA UTILITIES CO.
ADJUSTMENT TO CURRENT AND DEFERRED INCOME TAXES
FOR ROUNDING AND PRIOR YEAR'S AND CLOSING/FILING
ELECTRIC UTILITY - SOUTH DAKOTA
ADJUSTMENT NO. 32**

Adjustment to Current Federal Income Taxes to Eliminate
Closing/Filing and Prior Years Adjustments \$58,322

Adjustment to Deferred Income Taxes to Eliminate
Closing/Filing (\$71,520)

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
EXCESS DEFERRED INCOME TAXES
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT NO. 33**

Plant Related - ARAM Method - Per Books	(\$153,298)
Plant Related - ARAM Method - Pro Forma	<u>(98,561)</u>
Plant Related - ARAM Method	<u><u>\$54,737</u></u>

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS CO.

ACCUMULATED DEFERRED INCOME TAXES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2022

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Statement K

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	Total Company	Electric	Gas	Non-Utility
<u>Account 190:</u>				
January	\$29,999,717	\$12,366,694	\$12,055,492	\$5,577,531
February	29,583,262	11,553,315	12,360,007	5,669,940
March	30,302,747	11,577,336	13,070,526	5,654,885
April	30,425,088	11,786,620	13,001,814	5,636,654
May	27,201,783	11,584,214	11,674,020	3,943,549
June	26,420,737	11,671,384	10,824,126	3,925,227
July	26,883,963	11,977,146	10,998,970	3,907,847
August	27,302,166	12,284,069	11,127,629	3,890,468
September	27,407,511	12,435,237	11,098,974	3,873,300
October	27,835,958	12,662,077	11,317,961	3,855,920
November	27,656,468	12,558,465	11,351,243	3,746,760
December 2022	25,365,005	11,785,227	10,053,430	3,526,348
<u>Account 282: (Other Property)</u>				
January	(204,080,870)	(164,756,147)	(34,245,413)	(5,079,310)
February	(205,015,952)	(165,621,077)	(34,268,155)	(5,126,720)
March	(205,987,027)	(166,519,033)	(34,290,982)	(5,177,012)
April	(206,939,703)	(167,422,894)	(34,314,250)	(5,202,559)
May	(207,888,324)	(168,322,442)	(34,337,442)	(5,228,440)
June	(208,839,619)	(169,222,594)	(34,360,534)	(5,256,491)
July	(209,819,949)	(170,126,085)	(34,384,307)	(5,309,557)
August	(210,798,177)	(171,027,059)	(34,408,107)	(5,363,011)
September	(211,656,790)	(171,816,694)	(34,431,665)	(5,408,431)
October	(212,627,223)	(172,720,522)	(34,455,437)	(5,451,264)
November	(214,883,758)	(175,075,532)	(34,397,431)	(5,410,795)
December 2022	(217,893,740)	(176,916,766)	(35,635,463)	(5,341,511)
<u>Account 283: (Other)</u>				
January	(61,117,758)	(34,653,568)	(26,464,190)	0
February	(60,761,878)	(35,394,428)	(25,367,450)	0
March	(58,448,927)	(34,110,414)	(24,338,513)	0
April	(57,043,311)	(33,247,219)	(23,796,092)	0
May	(55,534,482)	(32,429,584)	(23,104,898)	0
June	(56,242,533)	(31,939,965)	(24,302,568)	0
July	(58,239,168)	(31,863,047)	(26,376,121)	0
August	(60,814,015)	(31,853,569)	(28,960,446)	0
September	(61,347,636)	(31,852,773)	(29,494,863)	0
October	(59,586,035)	(31,721,798)	(27,864,237)	0
November	(56,882,438)	(31,105,387)	(25,777,051)	0
December 2022	(53,831,920)	(30,728,753)	(23,103,167)	0
<u>Total Company</u>				
January	(235,198,911)	(187,043,021)	(48,654,111)	498,221
February	(236,194,568)	(189,462,190)	(47,275,598)	543,220
March	(234,133,207)	(189,052,111)	(45,558,969)	477,873
April	(233,557,926)	(188,883,493)	(45,108,528)	434,095
May	(236,221,023)	(189,167,812)	(45,768,320)	(1,284,891)
June	(238,661,415)	(189,491,175)	(47,838,976)	(1,331,264)
July	(241,175,154)	(190,011,986)	(49,761,458)	(1,401,710)
August	(244,310,026)	(190,596,559)	(52,240,924)	(1,472,543)
September	(245,596,915)	(191,234,230)	(52,827,554)	(1,535,131)
October	(244,377,300)	(191,780,243)	(51,001,713)	(1,595,344)
November	(244,109,728)	(193,622,454)	(48,823,239)	(1,664,035)
December 2022	(246,360,655)	(195,860,292)	(48,685,200)	(1,815,163)

**MONTANA-DAKOTA UTILITIES CO.
DEFERRED INCOME TAXES
ELECTRIC UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022**

	<u>South Dakota</u>
<u>Timing Deductions & Adjustments:</u>	
Property Timing Differences	\$489,638
TCJA Excess Plant - ARAM amortization	(153,298)
Decommissioning of Power Plants	(17,686)
ADUDC - Debt/Capitalized Interest	(23,898)
Bad Debt Expense	(59)
Incentive Compensation	21,792
Property Insurance	6,008
Vacation Pay	(3,431)
Customer Advances	262
Prepaid Expense	103
F&PP Deferral	(54,643)
Sundry Reserves	(418)
SD Transmission Rider Deferral	58,554
Mor-Gran-Sou Capacity Revenue	855
WAPA Fiber Demand Revenue	515
Deferred Pension Expense	6,830
Deferred Postretirement Benefit Costs (FAS 106)	(28,450)
Deferred Compensation- Directors	(1,345)
Unamortized Loss on Reacquired Debt	(4,710)
Preferred Stock Redemption Amortization	(285)
Pension Expense	(3,025)
Postretirement Benefits Cost (FAS 158)	41,576
Deferred Medicare Part D	555
Payroll Tax Deferral	9,088
Abandoned Power Plant Cost Recovery	(17,102)
Retired Power Plant	975
SD Infrastructure Rider Deferral	171,393
Plant Closure - Regulatory Asset/Liability	(365,338)
Closing/Filing and Prior Period Adjustment	<u>71,520</u>
Total Deferred Income Taxes	<u><u>\$205,976</u></u>

MONTANA-DAKOTA UTILITIES CO./GREAT PLAINS NATURAL GAS CO.
ANALYSIS OF ACCUMULATED DEFERRED INCOME TAXES
ELECTRIC UTILITY - SOUTH DAKOTA
DECEMBER 31, 2021 AND DECEMBER 31, 2022

	Total Company		South Dakota		Average Balance
	Balance 12/31/21	Balance 12/31/22	Balance 12/31/21	Balance 12/31/22	
<u>Electric Utility - Rate Base Deductions:</u>					
Depreciation, Retirements and Other Timing Differences Required to be Normalized	\$276,746,857	\$288,141,269	\$12,546,403	\$13,322,976	\$12,934,690
Net Negative Salvage	(3,190,393)	(3,203,851)	-	-	-
Contributions In Aid of Construction	(7,067,489)	(8,643,426)	(50,725)	(99,675)	(75,200)
Excess Deferred - Nonplant Rate Base	(505,693)	(421,415)	-	-	-
Customer Advances	(1,001,283)	(916,499)	(18,331)	(18,071)	(18,201)
North Dakota - Investment Tax Credit	(1,928,135)	(1,994,259)	(28,525)	(36,115)	(32,320)
Unamortized Loss on Reaquired Debt	465,032	357,978	19,044	16,319	17,681
Retired Power Plant	(4,388)	(3,413)	(4,388)	(3,413)	(3,901)
Gain on Building Sale	(166,055)	(155,410)	-	-	-
Loss on Building Sale	402,480	376,681	-	-	-
ND Renewable Resource Recovery Rider	(1,885,338)	(3,422,451)	-	-	-
ND Generation Resource Recovery Rider	6,140,675	10,600,815	-	-	-
SD Infrastructure Rider	342,425	500,187	342,425	500,187	421,306
Pension Benefit Costs	6,043,819	5,866,406	287,004	290,235	288,620
Postretirement Benefit Costs	1,037,250	1,258,917	49,256	62,284	55,770
ND Decommissioning	(572,628)	(855,245)	-	-	-
SD Decommissioning	(69,553)	(87,239)	(69,553)	(87,239)	(78,396)
Total Rate Base Deductions	<u>\$274,787,581</u>	<u>\$287,399,043</u>	<u>\$13,072,610</u>	<u>\$13,947,487</u>	<u>\$13,510,049</u>
<u>Electric Utility - Timing Differences:</u>					
Partnership Ordinary Income/Loss	(\$10)	(\$10)			
Mor-Gran Sou Capacity Revenue	(281,028)	(261,073)			
Reserved Revenues	(52,368)	(279,816)			
WAPA Fiber Demand Revenue	(84,205)	(72,176)			
Deferred Compensation	(24,735)	(59,054)			
Deferred Compensation - Officers	(80,324)	(71,008)			
Bad Debts Expense	(65,432)	(91,245)			
Incentive Compensation	(996,322)	(533,281)			
Property Insurance Recovery	166,405	-			
Property Insurance Reserve	(394,838)	(96,997)			
Vacation Pay	(776,836)	(778,861)			
Contingency Reserve	1,678	1,678			
Prepaid Expenses	83,677	83,858			
Fuel & Purchased Power Deferral	1,152,628	557,851			
MT Ad Valorem Tax Tracker	235,707	494,010			
ND Transmission Tracker	146,717	-			
ND Generation Resource Recovery Rider (Non-Rate Base)	234,669	470,394			
ND Renewable Resource Recovery Rider (Non-Rate Base)	122,435	7,993			
Miscellaneous	(243,928)	(243,928)			
Sundry Reserves	(16,345)	(25,031)			
Regulatory Commission Expense	45,411	145,382			
MT PSC/MCC Tax Deferral	24,548	-			
SD Infrastructure Rider (Non Rate-Base)	15,353	28,983			
SD Transmission Cost Recovery Rider	36,619	95,172			
SISP Expense	(2,236,002)	(2,269,095)			
Deferred Medicare Part D	(14,127)	(1,988)			
Payroll Tax Deferral	(191,751)	-			
Preferred Stock Redemption Amortization	89,665	81,811			
Abandoned Power Plant Cost Recovery	299,398	224,731			
Non-Utility Plant	453,538	415,004			
Plant Closure Regulatory Asset	11,818,581	5,354,761			
CWIP	(458,602)	(530,408)			
AFUDC - Equity	6,589,757	6,809,203			
Excess Deferred Income Taxes (Non-Rate Base)	314,740	262,285			
SISP (OCI)	(1,248,295)	33,723			
Net Normalization (FAS109)	<u>(103,248,110)</u>	<u>(99,513,045)</u>			
	<u>(88,581,732)</u>	<u>(89,760,177)</u>			
Total Electric Utility	<u>\$186,205,849</u>	<u>\$197,638,866</u>			

**MONTANA-DAKOTA UTILITIES CO.
ACCUMULATED DEFERRED INCOME TAXES
ELECTRIC UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022
ADJUSTMENT P**

	<u>Balance @ 12/31/22</u>	<u>Pro Forma Activity</u>	<u>Pro Forma Balance @ 12/31/23</u>	<u>Pro Forma Adjustment</u>
Liberalized Depreciation	\$9,689,065	\$40,731 1/	\$9,729,796	\$40,731
Excess Deferred Income Taxes	3,633,911	(98,561) 2/	3,535,350	(98,561)
Decommissioning of Power Plants	(87,239)	66,845 3/	(20,394)	66,845
Contribution in Aid of Construction	(99,675)	0	(99,675)	0
Unamortized Loss on Debt	16,319	(5,008) 4/	11,311	(5,008)
Retired Power Plant	(3,413)	975 5/	(2,438)	975
Accelerated Amortization	0	0	0	0
Unamort. Regulatory Commission Exp.	0	197,416 6/	197,416	197,416
Provision for Pension Benefits	0	289,364 7/	289,364	289,364
Provision for Post Retirement	0	75,891 8/	75,891	75,891
Regulatory Asset - L&C I and Heskett I & II	525,163	(525,163) 9/	0	(525,163) 9/
Customer Advances	(18,071)	0	(18,071)	0
Investment Tax Credit	(36,115)	(17,557) 10/	(53,672)	(17,557)
Balance	<u>\$13,619,945</u>	<u>\$24,933</u>	<u>\$13,644,878</u>	<u>\$24,933</u>

1/ See Rule 20:10:13:88, Statement K, page 10.

2/ See Rule 20:10:13:88, Statement K, page 14.

3/ Tax effect of pro forma Decommissioning of Power Plants expense, see Rule 20:10:13:86, Statement J, page 5.

4/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 4.

5/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 5.

6/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 7.

7/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 8.

8/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 9.

9/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 10. Pro Forma adjustment reflects the removal of the entire deferred income tax balance.

10/ See Rule 20:10:13:69, Statement F, Schedule F-1, page 13.

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
TAX DEPRECIATION ON PLANT ADDITIONS
PRO FORMA**

	Plant Additions	Annual Depreciation	Book Depr. for Taxes 1/	Tax Depreciation 2/	Book/Tax Difference
Steam Production	\$229,544	\$4,253	\$2,127	\$8,608	\$6,481
Other Production	2,858,407	67,125	33,563	142,920	109,357
Other Production - Wind	82,247	3,375	1,688	16,449	14,761
Transmission	6,063,217	123,217	61,609	227,371	165,762
Distribution	924,695	23,777	11,889	34,676	22,787
General:					
Other	\$36,902	\$2,520	\$1,260	\$5,273	\$4,013
Structures & Improvements	0	0	0	0	0
Computer Equipment	3,965	480	240	793	553
Transportation	0	0	0	0	0
Work Equipment	41,746	3,432	1,716	8,349	6,633
Total General	<u>\$82,613</u>	<u>\$6,432</u>	<u>\$3,216</u>	<u>\$14,415</u>	<u>\$11,199</u>
General Intangible	\$138,577	\$24,569	\$12,285	\$46,188	\$33,903
Common:					
Other	\$31,514	\$3,922	\$1,961	\$4,503	\$2,542
Structures & Improvements	0	0	0	0	0
Computer Equipment	17,430	4,227	2,114	3,486	1,372
Transportation	107,313	10,356	5,178	21,463	16,285
Total Common	<u>\$156,257</u>	<u>\$18,505</u>	<u>\$9,253</u>	<u>\$29,452</u>	<u>\$20,199</u>
Common Intangible	\$54,220	\$8,414	\$4,207	\$18,072	\$13,865
Total Additions	<u>\$10,589,777</u>	<u>\$279,667</u>	<u>\$139,837</u>	<u>\$538,151</u>	<u>\$398,314</u>

1/ Annual depreciation divided by 2 to reflect half year convention.

2/ Tax depreciation rates for half-year convention:

Steam Production	3.750%	(20 Yr.)
Other Production	5.000%	(15 Yr.)
Other Production - Wind	20.000%	(5 Yr.)
Transmission	3.750%	(20 Yr.)
Distribution	3.750%	(20 Yr.)
General & Common	14.290%	(7 Yr.)
Structures & Improvements	1.391%	(39 Yr.)
Computer, Transport & Work Equipment	20.000%	(5 Yr.)
Intangible	33.330%	(3 Yr.)