

MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
ELECTRIC UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	South Dakota	Other	Reference
Operating Revenues				
Sales	\$328,405,974	\$16,637,117	\$311,768,857	Rule 20:10:13:85
Sales for Resale	1,949,879	91,515	1,858,364	Rule 20:10:13:85
Other	46,902,276	1,610,931	45,291,345	Rule 20:10:13:85
Total Revenues	<u>377,258,129</u>	<u>18,339,563</u>	<u>358,918,566</u>	
Operating Expenses				
Operation and Maintenance				
Cost of Fuel and Purchased Power	92,007,009	3,694,538	88,312,471	Rule 20:10:13:80
Other O&M	118,288,358	6,673,306	111,615,052	Rule 20:10:13:80
Total O&M	<u>210,295,367</u>	<u>10,367,844</u>	<u>199,927,523</u>	
Depreciation	67,574,084	4,061,972	63,512,112	Rule 20:10:13:86
Taxes Other Than Income	16,893,689	836,326	16,057,363	Rule 20:10:13:94
Current Income Taxes	(5,434,211)	(736,919)	(4,697,292)	Rule 20:10:13:88
Deferred Income Taxes	6,676,791	205,976	6,470,815	Rule 20:10:13:88
Total Expenses	<u>296,005,720</u>	<u>14,735,199</u>	<u>281,270,521</u>	
Operating Income	<u>\$81,252,409</u>	<u>\$3,604,364</u>	<u>\$77,648,045</u>	
Rate Base	<u>\$1,248,561,705</u>	<u>\$64,362,566</u>	<u>\$1,184,199,139</u>	
Rate of Return	<u>6.508%</u>	<u>5.600%</u>	<u>6.557%</u>	

MONTANA-DAKOTA UTILITIES CO.
RATE BASE
ELECTRIC UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	South Dakota	Other	Reference
Electric Plant in Service	\$2,181,193,607	\$109,530,021	\$2,071,663,586	Rule 20:10:13:54
Accumulated Reserve for Depreciation	713,466,808	35,873,782	677,593,026	Rule 20:10:13:64
Net Electric Plant in Service	<u>\$1,467,726,799</u>	<u>\$73,656,239</u>	<u>\$1,394,070,560</u>	
Additions				
Materials and Supplies	\$24,087,329	\$1,745,699	\$22,341,630	Rule 20:10:13:68
Fuel Stocks	4,409,567	219,391	4,190,176	Rule 20:10:13:68
Prepayments	359,929	18,841	341,088	Rule 20:10:13:68
Unamortized Loss on Debt	1,686,995	77,708	1,609,287	Rule 20:10:13:68
Decommissioning of Retired Plants	(18,574)	(16,252)	(2,322)	Rule 20:10:13:68
Unamortized Redemption of Pref Stock	351,798	14,138	337,660	Rule 20:10:13:68
Provision for Pension and Benefits	29,483,212	0	29,483,212	Rule 20:10:13:68
Plant Closure Reg. Asset	38,011,294	2,500,775	35,510,519	Rule 20:10:13:68
Provision for Injuries and Damages	0	0	0	Rule 20:10:13:68
Total Additions	<u>\$98,371,548</u>	<u>\$4,560,300</u>	<u>\$93,811,248</u>	
Total Before Deductions	\$1,566,098,347	\$78,216,539	\$1,487,881,808	
Deductions				
Accumulated Deferred Income Taxes	\$281,093,312	\$13,619,945	\$267,473,367	Rule 20:10:13:88
Accumulated Investment Tax Credits	7,307,258	147,981	7,159,277	Rule 20:10:13:68
Customer Advances	4,185,644	86,047	4,099,597	Rule 20:10:13:68
Other Deductions	24,950,429		24,950,429	
Total Deductions	<u>\$317,536,642</u>	<u>\$13,853,973</u>	<u>\$303,682,669</u>	
Total Rate Base	<u>\$1,248,561,705</u>	<u>\$64,362,566</u>	<u>\$1,184,199,139</u>	

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
SUMMARY OF PRO FORMA INCOME STATEMENT ADJUSTMENTS**

	Adjustment No.	Amount	Reference
REVENUE			
Current Rates	1	(\$972,667)	Rule 20:10:13:85 Statement I, page 2
Sales for Resale	2	32,544	Rule 20:10:13:85 Statement I, page 3
Other Revenue	3	(967,643)	Rule 20:10:13:85 Statement I, page 4
Total Adjustments to Revenue		(\$1,907,766)	
OPERATION & MAINTENANCE EXPENSES			
Cost of Fuel & Purchased Power-Pro Forma	4	(\$450,951)	Rule 20:10:13:81 Schedule H-1, page 3
Labor Expense	5	220,437	Rule 20:10:13:81 Schedule H-1, page 4
Benefits Expense	6	59,806	Rule 20:10:13:81 Schedule H-1, page 8
Subcontract Labor	7	(1,275,355)	Rule 20:10:13:81 Schedule H-1, page 11
Big Stone/Coyote	8	(26,973)	Rule 20:10:13:81 Schedule H-1, page 12
Materials	9	2,414	Rule 20:10:13:81 Schedule H-1, page 13
Vehicles & Work Equipment Expense	10	32,443	Rule 20:10:13:81 Schedule H-1, page 14
Company Consumption	11	(2,310)	Rule 20:10:13:81 Schedule H-1, page 15
Postage Expense	12	3,364	Rule 20:10:13:81 Schedule H-1, page 16
Uncollectible Accounts	13	12,148	Rule 20:10:13:81 Schedule H-1, page 17
Advertising Expense	14	(5,503)	Rule 20:10:13:81 Schedule H-1, page 18
Insurance Expense	15	7,080	Rule 20:10:13:81 Schedule H-1, page 19
Software Maintenance	16	3,160	Rule 20:10:13:81 Schedule H-1, page 20
Industry Dues	17	(1,409)	Rule 20:10:13:81 Schedule H-1, page 21
Rent Expense	18	3,315	Rule 20:10:13:81 Schedule H-1, page 22
Annual Easements	19	5,613	Rule 20:10:13:81 Schedule H-1, page 23
Regulatory Commission Expense	20	146,512	Rule 20:10:13:81 Schedule H-1, page 24
Office Supplies Expense	21	2,263	Rule 20:10:13:81 Schedule H-1, page 25
All Other O&M	22	(9,421)	Rule 20:10:13:81 Schedule H-1, page 26
Total Adjustments to Other O&M		(\$822,416)	
DEPRECIATION EXPENSE			
Average Annual Depreciation	23	(\$572,922)	Rule 20:10:13:86 Statement J, page 1
Total Adjustments to Depreciation Expense		(\$572,922)	
TAXES OTHER THAN INCOME			
Ad Valorem Taxes	24	\$71,385	Rule 20:10:13:95 Schedule L-1, page 1
O&M Related Taxes	25	14,975	Rule 20:10:13:95 Schedule L-1, page 2
South Dakota Gross Receipts Tax	26	2,280	Rule 20:10:13:95 Schedule L-1, page 3
Electric Production Taxes	27	7,173	Rule 20:10:13:95 Schedule L-1, page 4
Total Adjustments to Taxes Other than Income		\$95,813	
CURRENT INCOME TAXES			
Interest Annualization	28	\$311,289	Rule 20:10:13:88 Statement K, page 9
Book/Tax Depreciation on Plant	29	193,958	Rule 20:10:13:88 Statement K, page 10
Income Taxes on Pro Forma Adjustments	30	(\$139,133)	Rule 20:10:13:88 Statement K, page 11
Electric Production Tax Credit	31	(87,018)	Rule 20:10:13:88 Statement K, page 12
Elimination of Closing/Filing	32	58,322	Rule 20:10:13:88 Statement K, page 13
Total Adjustments to Current Income Taxes		(\$167,829)	
DEFERRED INCOME TAXES			
Elimination of Closing/Filing	32	(\$71,520)	Rule 20:10:13:88 Statement K, page 13
Plant Excess Deferred Taxes - ARAM	29	54,737	Rule 20:10:13:88 Statement K, page 14
Deferred Income Taxes on Plant	33	40,731	Rule 20:10:13:88 Statement K, page 10
Total Adjustments to Deferred Taxes		\$23,948	
Net Adjustments to Operating Income		(\$13,409)	

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
SUMMARY OF PRO FORMA RATE BASE ADJUSTMENTS**

	<u>Adjustment</u>	<u>Amount</u>	<u>Reference</u>
Plant Additions	A	\$10,589,777	Rule 20:10:13:54 Statement D, page 1
Accumulated Reserve for Depreciation	B	328,760	Rule 20:10:13:64 Statement E, page 1
Net Adjustments to Plant		<u>\$10,261,017</u>	
<u>Additions:</u>			
Materials and Supplies	C	\$21,556	Rule 20:10:13:69 Schedule F-1, page 1
Fuel Stores	D	(13,680)	Rule 20:10:13:69 Schedule F-1, page 2
Prepayments	E	53,521	Rule 20:10:13:69 Schedule F-1, page 3
Unamortized Loss on Debt	F	(23,847)	Rule 20:10:13:69 Schedule F-1, page 4
Unamort. Decomm. Retired Power Plant	G	4,644	Rule 20:10:13:69 Schedule F-1, page 5
Unamort. Redemption of Pref Stock	H	(1,357)	Rule 20:10:13:69 Schedule F-1, page 6
Unamort. Regulatory Commission Expense	I	940,078	Rule 20:10:13:69 Schedule F-1, page 7
Provision for Pension and Benefits	J	1,215,502	Rule 20:10:13:69 Schedule F-1, page 8
Provision for Post Retirement	K	329,370	Rule 20:10:13:69 Schedule F-1, page 9
Regulatory Asset - L&C and Heskett	L	(2,500,775)	Rule 20:10:13:69 Schedule F-1, page 10
Cash Working Capital	M	(373,013)	Rule 20:10:13:69 Schedule F-1, page 11
Total		<u>(\$348,001)</u>	
<u>Deductions:</u>			
Accumulated Deferred Inc. Tax:			
Liberalized Depreciation	P	\$40,731	Rule 20:10:13:88 Statement K, page 18
Excess Deferred Income Taxes	P	(98,561)	Rule 20:10:13:88 Statement K, page 18
Decommissioning of Power Plants	P	66,845	Rule 20:10:13:88 Statement K, page 18
Contribution in Aid of Construction	P	0	Rule 20:10:13:88 Statement K, page 18
Unamortized Loss on Debt	P	(5,008)	Rule 20:10:13:88 Statement K, page 18
Retired Power Plant	P	975	Rule 20:10:13:88 Statement K, page 18
Accelerated Amortization	P	0	Rule 20:10:13:88 Statement K, page 18
Unamort. Regulatory Commission Exp.	P	197,416	Rule 20:10:13:88 Statement K, page 18
Provision for Pension Benefits	P	289,364	Rule 20:10:13:88 Statement K, page 18
Provision for Post Retirement	P	75,891	Rule 20:10:13:88 Statement K, page 18
Regulatory Asset - L&C I and Heskett I & II	P	(525,163)	Rule 20:10:13:88 Statement K, page 18
Customer Advances	P	0	Rule 20:10:13:88 Statement K, page 18
Investment Tax Credit	P	(17,557)	Rule 20:10:13:88 Statement K, page 18
Customer Advances for Construction	N	0	Rule 20:10:13:69 Schedule F-1, page 12
Accumulated Investment Tax Credit	O	83,607	Rule 20:10:13:69 Schedule F-1, page 13
Total		<u>\$108,540</u>	
Total Pro Forma Adjustments		<u><u>\$9,804,476</u></u>	

MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
ELECTRIC UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022
PRO FORMA

	<u>Per Books</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Operating Revenues			
Sales	\$16,637,117	(\$972,667)	\$15,664,450
Sales for Resale	91,515	32,544	124,059
Other	1,610,931	(967,643)	643,288
Total Revenues	<u>18,339,563</u>	<u>(1,907,766)</u>	<u>16,431,797</u>
Operating Expenses			
Operation and Maintenance			
Cost of Fuel and Purchased Power	3,694,538	(461,995)	3,232,543
Other O&M	6,673,306	(811,372)	5,861,934
Total O&M	<u>10,367,844</u>	<u>(1,273,367)</u>	<u>9,094,477</u>
Depreciation	4,061,972	(572,922)	3,489,050
Taxes Other Than Income	836,326	95,813	932,139
Current Income Taxes	(736,919)	(167,829)	(904,748)
Deferred Income Taxes	205,976	23,948	229,924
Total Expenses	<u>14,735,199</u>	<u>(1,894,357)</u>	<u>12,840,842</u>
Operating Income	<u>\$3,604,364</u>	<u>(\$13,409)</u>	<u>\$3,590,955</u>
Average Rate Base	<u>\$64,362,566</u>	<u>\$9,804,476</u>	<u>\$74,167,042</u>
Rate of Return	<u>5.600%</u>		<u>4.842%</u>

MONTANA-DAKOTA UTILITIES CO.
RATE BASE
ELECTRIC UTILITY - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 2022
PRO FORMA

	<u>2022</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Electric Plant in Service	\$109,530,021	\$10,589,777	\$120,119,798
Accumulated Reserve for Depreciation	<u>35,873,782</u>	<u>328,760</u>	<u>36,202,542</u>
Net Electric Plant in Service	73,656,239	10,261,017	83,917,256
Additions			
Materials and Supplies	\$1,745,699	\$21,556	\$1,767,255
Fuel Stores	219,391	(13,680)	205,711
Prepayments	18,841	53,521	72,362
Unamortized Loss on Debt	77,708	(23,847)	53,861
Unamort. Decomm. Retired Power Plant	(16,252)	4,644	(11,608)
Unamortized Redemption of Pref Stock	14,138	(1,357)	12,781
Unamort. Regulatory Commission Exp.	0	940,078	940,078
Provision for Pension and Benefits	0	1,215,502	1,215,502
Provision for Post Retirement	0	329,370	329,370
Regulatory Asset - L&C I & Heskett I & II	2,500,775	(2,500,775)	0
Cash Working Capital	<u>0</u>	<u>(373,013)</u>	<u>(373,013)</u>
Total Additions	4,560,300	(348,001)	4,212,299
 Total Before Deductions	 \$78,216,539	 \$9,913,016	 \$88,129,555
Deductions			
Accumulated Deferred Income Taxes	\$13,619,945	\$24,933	\$13,644,878
Accumulated Investment Tax Credits	147,981	83,607	231,588
Customer Advances	<u>86,047</u>	<u>0</u>	<u>86,047</u>
Total Deductions	13,853,973	108,540	13,962,513
 Total Rate Base	 <u>\$64,362,566</u>	 <u>\$9,804,476</u>	 <u>\$74,167,042</u>

MONTANA-DAKOTA UTILITIES CO.
PRO FORMA OPERATING INCOME AND RATE OF RETURN
REFLECTING ADDITIONAL REVENUE REQUIREMENTS
ELECTRIC UTILITY - SOUTH DAKOTA

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$15,664,450	\$2,593,434	\$18,257,884
Sales for Resale	124,059		124,059
Other	643,288		643,288
Total Revenues	<u>16,431,797</u>	<u>2,593,434</u>	<u>19,025,231</u>
Operating Expenses			
Operation and Maintenance			
Cost of Fuel and Purchased Power	3,232,543		3,232,543
Other O&M	5,861,934		5,861,934
Total O&M	<u>9,094,477</u>		<u>9,094,477</u>
Depreciation	3,489,050		3,489,050
Taxes Other Than Income	932,139	3,890 2/	936,029
Current Income Taxes	(904,748)	543,804 2/	(360,944)
Deferred Income Taxes	229,924		229,924
Total Expenses	<u>12,840,842</u>	<u>547,694</u>	<u>13,388,536</u>
Operating Income	<u>\$3,590,955</u>	<u>\$2,045,740</u>	<u>\$5,636,695</u>
Rate Base	<u>\$74,167,042</u>		<u>\$74,167,042</u>
Rate of Return	<u>4.842%</u>		<u>7.600%</u>

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

2/ Reflects taxes at 21 percent after deducting South Dakota Gross Receipts tax of 0.15 percent.