

Montana-Dakota Utilities Co.
Electric Utility- Total Company & South Dakota
Production Tax Credit Waiver
Average Cedar Hills Revenue Requirement Summary

	Average Total Company Repower	Average Total Company No Repower	Average South Dakota Repower 1/	Average South Dakota No Repower 1/
Interest Expense	(\$483,129)	(\$415,599)	(\$22,319)	(\$19,200)
Depreciation	(873,693)	(746,715)	(40,363)	(34,496)
Pre-Tax Income	(\$1,356,822)	(\$1,162,314)	(\$62,682)	(\$53,696)
Income Taxes	\$284,933	\$244,086	\$13,163	\$11,276
Earnings after Interest	(\$1,071,890)	(\$918,228)	(\$49,519)	(\$42,420)
Earnings before Interest	\$690,217	\$589,905	\$31,886	\$27,252
Average Equity Balance	(7,376,024)	(6,345,016)	(340,755)	(293,124)
Return on Equity - Pre-tax	887,336	763,306	40,993	35,263
Less: Production Tax Credit 2/	(1,874,588)	0	(86,601)	0
Average Revenue Requirement	<u>\$369,571</u>	<u>\$1,925,619</u>	<u>\$17,073</u>	<u>\$88,959</u>
Average Cost per kWh	0.00624	0.03413	0.00624	0.03413
Annual kWh Generated	59,236,960	56,416,152	2,736,605	2,606,290
Capacity Factor	34.7%	33.0%	34.7%	33.0%

1/ Based on Allocation Factor 271:

4.619759%

2/ Grossed up for federal income tax at 21%.