

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

	<b>Average Total Company Repower</b>	<b>Average Total Company No Repower</b>	<b>Average South Dakota Repower 1/</b>	<b>Average South Dakota No Repower 1/</b>
Interest Expense	(\$254,887)	(\$233,373)	(\$11,775)	(\$10,781)
Depreciation	<u>(550,795)</u>	<u>(503,576)</u>	<u>(25,445)</u>	<u>(23,264)</u>
Pre-Tax Income	(\$805,682)	(\$736,949)	(\$37,220)	(\$34,045)
Income Taxes	\$169,193	\$154,759	\$7,816	\$7,150
Earnings after Interest	<u>(\$636,489)</u>	<u>(\$582,190)</u>	<u>(\$29,404)</u>	<u>(\$26,895)</u>
Earnings before Interest	\$435,128	\$397,825	\$20,102	\$18,379
Average Equity Balance	<u>(3,891,404)</u>	<u>(3,562,944)</u>	<u>(179,774)</u>	<u>(164,599)</u>
Return on Equity - Pre-tax	468,136	428,622	21,627	19,801
Less: Production Tax Credit 2/	(1,104,240)	0	(51,013)	0
Average Revenue Requirement	<u><u>\$169,578</u></u>	<u><u>\$1,165,572</u></u>	<u><u>\$7,834</u></u>	<u><u>\$53,847</u></u>
Average Cost per kWh	0.00486	0.03507	0.00486	0.03507
Annual kWh Generated	34,893,993	33,232,374	1,612,018	1,535,256
Capacity Factor	37.9%	36.1%	37.9%	36.1%

1/ Based on Allocation Factor 271:

4.619759%

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