

Line	Description	Amount
	(a)	(b)
	6/30/12 Annualized Straight Time - Total Utility	
1	Non-Union	\$ 39,012,241
2	Union	25,116,458
3	Total	\$ 64,128,699
	Wage Increase	
4	Non-Union (Effective December 2012)	3.0%
5	Union (Effective May 2013)	2.5%
	2013 Annualized Straight Time - Total Utility	
6	Non-Union	\$ 40,182,608
7	Union	25,744,369
8	Total	\$ 65,926,977
9	Per Books Straight Time - Total Utility	\$ 62,641,087
10	Overall % Increase	5.25%
	Per Books South Dakota Gas Labor Expense	
11	Straight Time	\$ 3,699,440
12	Premium Time	203,779
13	Bonuses & Commissions	107,139
14	Incentive Comp Accrual	153,018
15	Moving Allowance	2,453
16	Taxable Meals	980
17	Vacation & Other Non-Prod.	36,988
18	Total Per Books SD Gas Labor Expense	\$ 4,203,797
	Pro Forma South Dakota Gas Labor Expense	
19	Straight Time	\$ 3,893,661
20	Premium Time	214,477
21	Bonuses & Commissions	-
22	Incentive Comp Accrual	-
23	Moving Allowance	2,453
24	Taxable Meals	980
25	Vacation & Other Non-Prod.	\$ 38,930
26	Total Pro Forma SD Gas Labor Expense	\$ 4,150,501
27	Pro Forma Adjustment	\$ (53,296)
28	Total % Change to Labor Expense	-1.27%
	Per Books SD Gas Labor Expense by Function	
29	Other Gas Supply	\$ 34,342
30	Production	18,799
31	Distribution	2,550,519
32	Customer Accounting	653,824
33	Customer Service	75,344
34	Sales	66,585
35	A&G	804,384
36	Total Per Books SD Labor Expense by Function	\$ 4,203,797
	Pro Forma SD Gas Labor Expense by Function	
37	Other Gas Supply	\$ 33,907
38	Production	18,561
39	Distribution	2,518,183
40	Customer Accounting	645,535
41	Customer Service	74,389
42	Sales	65,741
43	A&G	794,186
44	Total Pro Forma SD Labor Expense by Function	\$ 4,150,501
45	FICA Taxes	283,086
46	FICA Tax Rate	6.73%
47	Additional FICA Tax on Labor Adjustment	(3,589)
48	FUTA Taxes	3,050
49	FUTA Tax Rate	0.07%
50	Additional FUTA Tax on Labor Adjustment	(39)
51	SUTA Taxes	20,916
52	SUTA Tax Rate	0.50%
53	Additional SUTA Tax on Labor Adjustment	(265)

**Sources:**

Lines 1-10: MDU Response to DR 2-1, Statement H workpaper H-70	Line 39: Line 31 * (1 + line 28)
Lines 11-18: MDU Response to DR 9-17	Line 40: Line 32 * (1 + line 28)
Line 19: Line 11 * (1 + line 10)	Line 41: Line 33 * (1 + line 28)
Line 20: Line 12 * (1 + line 10)	Line 42: Line 34 * (1 + line 28)
Lines 21 & 22: Remove Incentive Compensation Expense	Line 43: Line 35 * (1 + line 28)
Line 23: Line 15	Line 44: sum of lines 37 through 43
Line 24: Line 16	Line 45: MDU Response Data Request 10-14
Line 25: Line 17 * (1 + line 10)	Line 46: Line 45 / Line 36
Line 26: sum of lines 19 through 25	Line 47: Line 46 * Line 27
Line 27: Line 26 less line 18	Line 48: MDU Response Data Request 10-14
Line 28: Line 27 / Line 18	Line 49: Line 48 / Line 36
Lines 29-36: Statement H, Schedule H-1, page 4	Line 50: Line 49 * Line 27
Line 37: Line 29 * (1 + line 28)	Line 51: MDU Response Data Request 10-14
Line 38: Line 30 * (1 + line 28)	Line 52: Line 51 / Line 36
	Line 53: Line 52 * Line 27