

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
GAS UTILITY - SOUTH DAKOTA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

	<u>Total South Dakota</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Production	\$137,775	\$1,355	\$139,130
Cost of Gas	28,093,760	3,480,480	31,574,240
Other Gas Supply	52,946	2,460	55,406
Distribution	3,393,082	187,996	3,581,078
Customer Accounts	1,303,898	42,747	1,346,645
Customer Service & Infor.	122,209	(5,016)	117,193
Sales	91,378	(8,788)	82,590
Administrative and General	<u>3,190,539</u>	<u>81,964</u>	<u>3,272,503</u>
Total Operation and Maintenance Expenses	<u>\$36,385,587</u>	<u>\$3,783,198</u>	<u>\$40,168,785</u>

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Account No.	Description	Black Hills	East River	Total South Dakota	Pro Forma Adjustments	Pro Forma
<u>Production</u>						
754	Field Compressor Station	\$117,526	\$16,615	\$134,141		
765	Maintenance of field comp. equip.	3,182	452	3,634		
	Total Production Expenses	<u>\$120,708</u>	<u>\$17,067</u>	<u>\$137,775</u>	<u>\$1,355</u>	<u>\$139,130</u> ✓
<u>Other Gas Supply Expenses</u>						
804	Natural Gas City Gate Purchases	\$25,998,567	\$3,629,685	\$29,628,252		
805.1	Purchased Gas Cost Adj.	871,180	141,144	1,012,324		
808.1	Gas Withdrawn from Storage	5,095,458	735,092	5,830,550		
808.2	Gas Delivered to Storage	(7,426,153)	(951,213)	(8,377,366)		
813	Other Gas Supply Expenses	46,409	6,537	52,946		
	Total Other Gas Supply Exp.	<u>\$24,585,461</u>	<u>\$3,561,245</u>	<u>\$28,146,706</u>	<u>\$3,482,940</u>	<u>\$31,629,646</u>
<u>Distribution Expenses</u>						
<u>Operation</u>						
870	Supervision and Engineering	\$426,778	\$102,650	\$529,428		
871	Distribution Load Dispatching	44,109	11,362	55,471		
874	Mains and Services	574,159	147,777	721,936		
875	Meas. & Reg. Station Exp. - General	6,556	4,632	11,188		
876	Meas. & Reg. Station Exp. - Industrial	2,596	2,600	5,196		
877	Meas. & Reg. Station Exp. - City Gate	222	44,641	44,863		
878	Meters and House Regulators	122,568	8,572	131,140		
879	Customer Installations	131,956	14,002	145,958		
880	Other Expenses	854,509	158,323	1,012,832		
881	Rents	18,487	22,756	41,243		
	Total Operation Exp.	<u>\$2,181,940</u>	<u>\$517,315</u>	<u>\$2,699,255</u>		
<u>Maintenance</u>						
885	Supervision & Engineering	\$77,195	\$12,097	\$89,292		
887	Mains	160,917	8,104	169,021		
889	Meas. & Reg. Station Exp. - General	54,415	2,539	56,954		
890	Meas. & Reg. Station Exp. - Industrial	3,553	1,410	4,963		
891	Meas. & Reg. Station Exp. - CG		9,513	9,513		
892	Services	74,843	9,288	84,131		
893	Meters and House Regulators	176,296	32,402	208,698		
894	Other Equipment	61,920	9,335	71,255		
	Total Maintenance Exp.	<u>\$609,139</u>	<u>\$84,688</u>	<u>\$693,827</u>		
	Total Distribution Exp.	<u>\$2,791,079</u>	<u>\$602,003</u>	<u>\$3,393,082</u>	<u>\$187,996</u>	<u>\$3,581,078</u>

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Account No.	Description	Black Hills	East River	Total South Dakota	Pro Forma Adjustments	Pro Forma
<u>Customer Accounts Expenses</u>						
<u>Operation</u>						
901	Supervision	\$33,686	\$5,271	\$38,957		
902	Meter Reading Expenses	81,275	50,618	131,893		
903	Customer Records and Collection Exp.	793,009	117,304	910,313		
904	Uncollectible Accounts	135,909	15,530	151,439		
905	Misc. Customer Accounts Exp.	54,881	16,415	71,296		
	Total Customer Accounts Exp.	<u>\$1,098,760</u>	<u>\$205,138</u>	<u>\$1,303,898</u>	<u>\$42,747</u>	<u>\$1,346,645</u>
<u>Customer Service & Information Expenses</u>						
<u>Operation</u>						
907	Supervision	\$16,290	\$2,453	\$18,743		
908	Customer Assistance Exp.	55,957	5,302	61,259		
909	Informational and Instructional Exp.	34,169	7,978	42,147		
910	Misc. Customer Service & Info. Exp.	15	45	60		
	Total Cust. Service & Info. Exp.	<u>\$106,431</u>	<u>\$15,778</u>	<u>\$122,209</u>	<u>(\$5,016)</u>	<u>\$117,193</u>
<u>Sales Expenses</u>						
<u>Operation</u>						
911	Supervision	\$11,309	\$823	\$12,132		
912	Demonstrating and Selling Exp.	56,842	1,847	58,689		
913	Advertising Expenses	13,130	597	13,727		
916	Misc. Sales Expenses	2,147	4,683	6,830		
	Total Sales Exp.	<u>\$83,428</u>	<u>\$7,950</u>	<u>\$91,378</u>	<u>(\$8,788)</u>	<u>\$82,590</u>
<u>Administrative & General Expenses</u>						
<u>Operation</u>						
920	Administrative and General Salaries	\$635,600	\$123,818	\$759,418		
921	Office Supplies and Expenses	379,920	73,298	453,218		
923	Outside Services Employed	41,952	8,168	50,120		
924	Property Insurance	62,562	12,182	74,744		
925	Injuries and Damages	174,651	33,838	208,489		
926	Employee Pensions and Benefits	1,134,324	214,385	1,348,709		
928	Regulatory Commission Exp.	22,583	3,470	26,053		
930	Miscellaneous General Exp.	81,795	25,272	107,067		
931	Rents	73,917	16,911	90,828		
	Total Operation Exp.	<u>\$2,607,304</u>	<u>\$511,342</u>	<u>\$3,118,646</u>		
<u>Maintenance</u>						
935	Maintenance of General Plant	\$62,646	\$9,247	\$71,893		
	Total Maintenance Exp.	<u>62,646</u>	<u>9,247</u>	<u>71,893</u>		
	Total Ad. & General Exp.	<u>\$2,669,950</u>	<u>\$520,589</u>	<u>\$3,190,539</u>	<u>\$81,964</u>	<u>\$3,272,503</u>
	Total Operation & Main. Exp.	<u>\$31,455,817</u>	<u>\$4,929,770</u>	<u>\$36,385,587</u>	<u>\$3,783,198</u>	<u>\$40,168,785</u>