

**MONTANA-DAKOTA UTILITIES CO.
 AD VALOREM TAXES
 GAS UTILITY - SOUTH DAKOTA
 ADJUSTMENT NO. 18**

<u>Function</u>	<u>Effective Tax Rate</u>	<u>Pro Forma</u>		<u>Per Books Ad Valorem Tax</u>	<u>Pro Forma Adjustment</u>
		<u>Plant Balance 2/</u>	<u>Ad Valorem Tax</u>		
Production	2.1572%	\$2,127,671	\$45,898	\$46,126	(\$228)
Distribution	0.6738%	72,127,244	485,993	453,963	32,030
General	0.5932%	13,634,311	80,879	76,745	4,134
Common	1.2738%	3,159,889	40,251	36,594	3,657
Intangible 1/	0.0195%	4,908,132	957	543	414
Total Ad Valorem Taxes		<u>\$95,957,247</u>	<u>\$653,978</u>	<u>\$613,971</u>	<u>\$40,007</u>

1/ General and Common intangible.

2/ Includes CWIP in service.

**MONTANA-DAKOTA UTILITIES CO.
 AD VALOREM TAXES
 GAS UTILITY - SOUTH DAKOTA
 TWELVE MONTHS ENDED JUNE 30, 2012**

<u>Function</u>	<u>Average Plant Balance @ 6/30/2012</u>	<u>Ad Valorem Tax @ 6/30/2012</u>	<u>Effective Tax Rate</u>
Production	\$2,138,237	\$46,126	2.1572%
Distribution	67,371,749	453,963	0.6738%
General	12,936,915	76,745	0.5932%
Common	2,872,747	36,594	1.2738%
Intangible 1/	<u>2,789,755</u>	<u>543</u>	0.0195%
Total	<u>\$88,109,403</u>	<u>\$613,971</u>	

1/ General and common intangible.

**MONTANA-DAKOTA UTILITIES CO.
 PAYROLL TAXES
 GAS UTILITY - SOUTH DAKOTA
 TWELVE MONTHS ENDED JUNE 30, 2012
 ADJUSTMENT NO. 19**

	Per Books			Total South Dakota	Pro Forma 1/	Pro Forma Adjustment
	Gas Utility	Black Hills	East River			
Payroll Taxes	<u>\$1,433,595</u>	<u>\$255,890</u>	<u>\$51,162</u>	<u>\$307,052</u>	<u>\$328,850</u>	<u>\$21,798</u>

1/ Pro Forma labor expense multiplied by ratio of payroll taxes to per books labor expense.

**MONTANA-DAKOTA UTILITIES CO.
ADJUSTMENT TO SOUTH DAKOTA GROSS RECEIPTS TAX
GAS UTILITY - SOUTH DAKOTA
ADJUSTMENT NO. 20**

	Total South Dakota
<u>Pro Forma Revenue 1/</u>	
Sales Revenue	\$47,012,378 ✓
Transportation Revenue	305,353
Miscellaneous Service Revenues	29,674
Rent from Gas Property 2/	18,244
Other Gas Revenues	99,926 ✓
Total Pro Forma Revenue	<u>\$47,465,575</u>
Gross Receipts Tax @ .15% 3/	\$71,198
Per Books Gross Receipts Tax	79,615 ✓
ProForma Adjustment	<u><u>(\$8,417)</u></u>

1/ Rule 20:10:13:85, Statement I, Page 1.

2/ Excludes revenue not generated in South Dakota.

3/ Tax rate effective June 30, 2012.