

**MONTANA-DAKOTA UTILITIES CO.  
PROJECTED OPERATING INCOME AND RATE OF RETURN  
REFLECTING ADDITIONAL REVENUE REQUIREMENTS  
GAS UTILITY - SOUTH DAKOTA**

	Before Additional Revenue Requirements 1/	<b>Additional Revenue Requirements</b>	Reflecting Additional Revenue Requirements
<b>Operating Revenues</b>			
Sales	\$49,379,127	<b>\$1,532,999</b>	\$50,912,126
Transportation	348,908		348,908
Other	520,450		520,450
Total Revenues	<u>50,248,485</u>	<u>1,532,999</u>	<u>51,781,484</u>
<b>Operating Expenses</b>			
Operation and Maintenance			
Cost of Gas	32,640,945		32,640,945
Other O&M	10,263,109		10,263,109
Total O&M	<u>42,904,054</u>		<u>42,904,054</u>
Depreciation	3,668,425		3,668,425
Taxes Other Than Income	1,169,124	2,146 2/	1,171,270
Current Income Taxes	(2,344,348)	535,799 2/	(1,808,549)
Deferred Income Taxes	2,819,206		2,819,206
Total Expenses	<u>48,216,461</u>	<u>537,945</u>	<u>48,754,406</u>
Operating Income	<u><u>\$2,032,024</u></u>	<u><u>\$995,054</u></u>	<u><u>\$3,027,078</u></u>
Rate Base	<u><u>\$39,892,967</u></u>		<u><u>\$39,892,967</u></u>
<b>Rate of Return</b>	<u><u>5.094%</u></u>		<u><u>7.588%</u></u>

1/ See Rule 20:10:13:96, page 5.

2/ Reflects taxes at 35 percent after deducting South Dakota Gross Receipts tax of 0.14 percent.