

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
2ND SET OF DATA REQUESTS
ISSUED FEBRUARY 16, 2017
DOCKET NO. NG17-002**

Question 2.1:

Please supplement MDU's response to Staff data request 1-4 that provides the calculation of the company's rate of return adjusted for taxes used in this filing.

Response:

Please see Response No. 2.1, Attachment A for a revised response to data request 1-4. Attachment A contains confidential information. A public version is provided below and the confidential version is being separately provided.

	<u>Ratio 1/</u>	<u>Cost 1/</u>	<u>Weighted Cost</u>	<u>Adj. for Taxes 2/</u>
Debt				
Preferred Stock				
Common Equity				
Total	<u>100.00%</u>		<u><u>7.216%</u></u>	<u><u>9.723%</u></u>

1/ Docket No. NG15-005, Staff Confidential Memo, page 9.

2/ Preferred stock and common equity subject to income taxes and weighted cost is divided by 1-tax rate.

Federal Tax Rate	35.0000%
Revenue Tax	0.1400%