

**MONTANA-DAKOTA UTILITIES CO.  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION  
DATA REQUEST TO MONTANA-DAKOTA UTILITIES CO.  
ISSUED FEBRUARY 2, 2018  
DOCKET NO. NG18-002**

- 1.3 Referring to Confidential Exhibit 4, page 1 of 1; Explain why the Weighted Cost of the MDU's Long term debt was adjusted for taxes, if applicable provide the calculation to arrive at the 2.450%**

**Response:**

Long term debt is adjusted only for South Dakota gross revenue tax. Montana-Dakota is required to pay gross revenue tax on total revenues, including revenue to cover interest expense.