

**Montana-Dakota Utilities Co.  
Gas Utility - South Dakota  
DSM Performance Financial Incentive  
for 2018 Program Year**

		<u>Incentive</u>
Total costs incurred 1/	\$152,215	
Authorized Return 2/	8.460%	
Calculated Incentive	\$12,877	
Incentive Achieved 3/		\$12,878

1/ Exhibit 2. Does not include the DSM incentive authorized in Docket No. NG18-002.

2/ Authorized return, adjusted for taxes as established in Docket No. NG15-005.

3/ Incentive range authorized in Docket No. NG09-001. Incentive minimum and cap authorized in Docket No. NG14-007, Revised Exhibit 5.

	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Adj. for Taxes</u>
Long term debt				
Short term debt				
Preferred Stock				
Common Equity				
Total	<u>100.00%</u>		<u>7.216%</u>	<u>8.460%</u>

Tax Rate	21.00%
Inverse	79.00%

Inverse of tax rate for revenue increase	78.88150%	0.1185%
--	-----------	---------

SD Gross Revenue Tax	0.0015
----------------------	--------