

**Montana-Dakota Utilities Co.  
Gas Utility - South Dakota  
Incremental Expansion Surcharge  
North Deadwood Expansion Area**

Total Project Cost =		\$1,144,500
Less Down Payments:	<u>Down Payment per Customer</u>	<u>Projected Customers</u>
Residential Rate 60	\$100	405
Firm General Rate 70 - Small	\$500	14
Firm General Rate 70 - Large	\$1,000	5
		52,500
Net Customer Contribution Requirement for Surcharge		<u>\$1,092,000</u>
North Deadwood Expansion Area Surcharge		
Customer Charge per Month	\$5.00	
Distribution Charge per Dk	\$4.00	
Annual Cost per Customer		
Residential Rate 60	\$300	
Firm General Rate 70 - Small	\$1,260	
Firm General Rate 70 - Large	\$12,060	
Average Monthly Surcharge per Customer		
Residential Rate 60	\$25	
Firm General Rate 70 - Small	\$105	
Firm General Rate 70 - Large	\$1,005	

**Montana-Dakota Utilities Co.  
Gas Utility - South Dakota  
North Deadwood Expansion Area Surcharge  
Net Present Value**

Year	Month	New Customers			Net Customer Contribution Requirement <b>(\$1,092,000)</b>	Customer Surcharge Payments	NPV
		Rate 60	Rate 70 Small	Rate 70 Large			
1	1	130	3	1		\$4,570	<b>(\$1,087,457)</b>
	2	130	3	1		\$4,570	<b>(\$1,082,942)</b>
	3	130	3	1		\$4,570	<b>(\$1,078,453)</b>
	4	130	3	1		\$4,570	<b>(\$1,073,992)</b>
	5	130	3	1		\$4,570	<b>(\$1,069,556)</b>
	6	130	3	1		\$4,570	<b>(\$1,065,148)</b>
	7	130	3	1		\$4,570	<b>(\$1,060,766)</b>
	8	130	3	1		\$4,570	<b>(\$1,056,410)</b>
	9	130	3	1		\$4,570	<b>(\$1,052,080)</b>
	10	130	3	1		\$4,570	<b>(\$1,047,776)</b>
	11	130	3	1		\$4,570	<b>(\$1,043,497)</b>
	12	130	3	1		\$4,570	<b>(\$1,039,245)</b>
2	13	195	7	2		\$7,620	<b>(\$1,032,196)</b>
	14	195	7	2		\$7,620	<b>(\$1,025,190)</b>
	15	195	7	2		\$7,620	<b>(\$1,018,225)</b>
	16	195	7	2		\$7,620	<b>(\$1,011,302)</b>
	17	195	7	2		\$7,620	<b>(\$1,004,420)</b>
	18	195	7	2		\$7,620	<b>(\$997,580)</b>
	19	195	7	2		\$7,620	<b>(\$990,780)</b>
	20	195	7	2		\$7,620	<b>(\$984,021)</b>
	21	195	7	2		\$7,620	<b>(\$977,303)</b>
	22	195	7	2		\$7,620	<b>(\$970,624)</b>
	23	195	7	2		\$7,620	<b>(\$963,986)</b>
	24	195	7	2		\$7,620	<b>(\$957,387)</b>
3	25	270	10	3		\$10,815	<b>(\$948,077)</b>
	26	270	10	3		\$10,815	<b>(\$938,823)</b>
	27	270	10	3		\$10,815	<b>(\$929,625)</b>
	28	270	10	3		\$10,815	<b>(\$920,481)</b>
	29	270	10	3		\$10,815	<b>(\$911,392)</b>
	30	270	10	3		\$10,815	<b>(\$902,357)</b>
	31	270	10	3		\$10,815	<b>(\$893,376)</b>
	32	270	10	3		\$10,815	<b>(\$884,449)</b>
	33	270	10	3		\$10,815	<b>(\$875,576)</b>
	34	270	10	3		\$10,815	<b>(\$866,755)</b>
	35	270	10	3		\$10,815	<b>(\$857,987)</b>
	36	270	10	3		\$10,815	<b>(\$849,272)</b>
4	37	345	12	4		\$13,905	<b>(\$838,133)</b>
	38	345	12	4		\$13,905	<b>(\$827,061)</b>
	39	345	12	4		\$13,905	<b>(\$816,055)</b>
	40	345	12	4		\$13,905	<b>(\$805,115)</b>
	41	345	12	4		\$13,905	<b>(\$794,240)</b>
	42	345	12	4		\$13,905	<b>(\$783,431)</b>
	43	345	12	4		\$13,905	<b>(\$772,685)</b>
	44	345	12	4		\$13,905	<b>(\$762,005)</b>

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Net Present Value**

Year	Month	New Customers			Net Customer Contribution Requirement (\$1,092,000)	Customer Surcharge Payments	NPV
		Rate 60	Rate 70 Small	Rate 70 Large			
	45	345	12	4		\$13,905	(\$751,388)
	46	345	12	4		\$13,905	(\$740,834)
	47	345	12	4		\$13,905	(\$730,343)
	48	345	12	4		\$13,905	(\$719,916)
5	49	405	14	5		\$16,620	(\$707,526)
	50	405	14	5		\$16,620	(\$695,211)
	51	405	14	5		\$16,620	(\$682,969)
	52	405	14	5		\$16,620	(\$670,801)
	53	405	14	5		\$16,620	(\$658,705)
	54	405	14	5		\$16,620	(\$646,682)
	55	405	14	5		\$16,620	(\$634,730)
	56	405	14	5		\$16,620	(\$622,850)
	57	405	14	5		\$16,620	(\$611,041)
	58	405	14	5		\$16,620	(\$599,302)
	59	405	14	5		\$16,620	(\$587,634)
	60	405	14	5		\$16,620	(\$576,035)
6	61	405	14	5		\$16,620	(\$564,506)
	62	405	14	5		\$16,620	(\$553,046)
	63	405	14	5		\$16,620	(\$541,654)
	64	405	14	5		\$16,620	(\$530,330)
	65	405	14	5		\$16,620	(\$519,074)
	66	405	14	5		\$16,620	(\$507,885)
	67	405	14	5		\$16,620	(\$496,763)
	68	405	14	5		\$16,620	(\$485,708)
	69	405	14	5		\$16,620	(\$474,718)
	70	405	14	5		\$16,620	(\$463,795)
	71	405	14	5		\$16,620	(\$452,936)
	72	405	14	5		\$16,620	(\$442,143)
7	73	405	14	5		\$16,620	(\$431,414)
	74	405	14	5		\$16,620	(\$420,749)
	75	405	14	5		\$16,620	(\$410,148)
	76	405	14	5		\$16,620	(\$399,610)
	77	405	14	5		\$16,620	(\$389,135)
	78	405	14	5		\$16,620	(\$378,723)
	79	405	14	5		\$16,620	(\$368,373)
	80	405	14	5		\$16,620	(\$358,085)
	81	405	14	5		\$16,620	(\$347,859)
	82	405	14	5		\$16,620	(\$337,693)
	83	405	14	5		\$16,620	(\$327,589)
	84	405	14	5		\$16,620	(\$317,544)
8	85	405	14	5		\$16,620	(\$307,560)
	86	405	14	5		\$16,620	(\$297,636)
	87	405	14	5		\$16,620	(\$287,770)
	88	405	14	5		\$16,620	(\$277,964)

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Year	Month	New Customers			Net Customer Contribution Requirement (\$1,092,000)	Customer Surcharge Payments	NPV
		Rate 60	Rate 70 Small	Rate 70 Large			
	89	405	14	5		\$16,620	(\$268,217)
	90	405	14	5		\$16,620	(\$258,527)
	91	405	14	5		\$16,620	(\$248,896)
	92	405	14	5		\$16,620	(\$239,322)
	93	405	14	5		\$16,620	(\$229,805)
	94	405	14	5		\$16,620	(\$220,346)
	95	405	14	5		\$16,620	(\$210,942)
	96	405	14	5		\$16,620	(\$201,595)
9	97	405	14	5		\$16,620	(\$192,304)
	98	405	14	5		\$16,620	(\$183,069)
	99	405	14	5		\$16,620	(\$173,888)
	100	405	14	5		\$16,620	(\$164,763)
	101	405	14	5		\$16,620	(\$155,692)
	102	405	14	5		\$16,620	(\$146,675)
	103	405	14	5		\$16,620	(\$137,712)
	104	405	14	5		\$16,620	(\$128,803)
	105	405	14	5		\$16,620	(\$119,947)
	106	405	14	5		\$16,620	(\$111,144)
	107	405	14	5		\$16,620	(\$102,393)
	108	405	14	5		\$16,620	(\$93,695)
10	109	405	14	5		\$16,620	(\$85,049)
	110	405	14	5		\$16,620	(\$76,455)
	111	405	14	5		\$16,620	(\$67,911)
	112	405	14	5		\$16,620	(\$59,419)
	113	405	14	5		\$16,620	(\$50,978)
	114	405	14	5		\$16,620	(\$42,587)
	115	405	14	5		\$16,620	(\$34,247)
	116	405	14	5		\$16,620	(\$25,956)
	117	405	14	5		\$16,620	(\$17,714)
	118	405	14	5		\$16,620	(\$9,522)
	119	405	14	5		\$16,620	(\$1,379)
	120	405	14	5		\$16,620	\$6,715