

# **NORTH DAKOTA COST OF SERVICE STUDY**

## **ELECTRIC OPERATIONS**

**2012**

**MONTANA-DAKOTA UTILITIES CO.**  
**INCOME STATEMENT**  
**ELECTRIC UTILITY**  
**TWELVE MONTHS ENDED DECEMBER 31, 2012**

	Total Company	North Dakota	Others
<b><u>Operating Revenues</u></b>			
Sales Revenues			
Residential	\$91,594,804	\$56,643,322	\$34,951,482
Small General	28,275,557	10,803,157	17,472,400
Large General	100,149,838	67,447,484	32,702,354
Lighting Service	3,373,541	2,089,765	1,283,776
Municipal Pumping Service	2,715,944	2,153,976	561,968
Sales for Resale	294,720	193,589	101,131
Margin Sharing Adjustment	88,573	0	88,573
Unbilled Revenue	3,064,475	2,256,937	807,538
Reserve for Refunds	(3,724,439)	(3,724,439)	0
Total Sales Revenues	<u>225,833,013</u>	<u>137,863,791</u>	<u>87,969,222</u>
Other Operating Revenues	9,969,192	6,287,535	3,681,657
Total Operating Revenues	<u>\$235,802,205</u>	<u>\$144,151,326</u>	<u>\$91,650,879</u>
<b><u>Operating Expenses</u></b>			
Operation and Maintenance			
Cost of Fuel & Purchased Power	\$72,380,228	\$41,702,353	\$30,677,875
Production	26,733,643	17,295,398	9,438,245
Transmission	8,590,688	6,155,382	2,435,306
Distribution	13,159,324	8,211,688	4,947,636
Customer Accounts	3,412,583	1,997,917	1,414,666
Customer Service & Information	208,002	152,516	55,486
Sales	187,555	123,398	64,157
Administrative & General	19,146,308	11,875,764	7,270,544
Total O&M Expenses	<u>143,818,331</u>	<u>87,514,416</u>	<u>56,303,915</u>
Depreciation			
Production	16,320,749	10,314,408	6,006,341
Transmission	3,033,137	2,179,941	853,196
Distribution	7,161,732	4,343,121	2,818,611
General	689,408	457,475	231,933
Common	977,691	599,963	377,728
Amort. of Intangible Plant - General	314,646	195,396	119,250
Amort. of Intangible Plant - Common	411,197	256,437	154,760
Amort. of Acquisition Adjustment	228,242	163,996	64,246
Amort. of Retired Power Plants	(78,215)	(55,570)	(22,645)
Amort. of Unrecovered Plant - Electric	3,267,152	3,024,924	242,228
Total Depreciation Expense	<u>32,325,739</u>	<u>21,480,091</u>	<u>10,845,648</u>

**MONTANA-DAKOTA UTILITIES CO.  
INCOME STATEMENT  
ELECTRIC UTILITY  
TWELVE MONTHS ENDED DECEMBER 31, 2012**

	<u>Total Company</u>	<u>North Dakota</u>	<u>Others</u>
<b><u>Operating Expenses Con't.</u></b>			
Taxes Other Than Income Taxes			
Ad Valorem Taxes			
Production	1,730,077	1,154,511	575,566
Transmission	1,379,447	753,550	625,897
Distribution	2,980,393	999,463	1,980,930
General	235,812	67,291	168,521
Common	319,820	149,886	169,934
Intangible	61,021	38,009	23,012
Total Ad Valorem Taxes	<u>6,706,570</u>	<u>3,162,710</u>	<u>3,543,860</u>
Other Taxes	<u>3,654,184</u>	<u>2,102,547</u>	<u>1,551,637</u>
Total Taxes Other Than Income Taxes	<u>10,360,754</u>	<u>5,265,257</u>	<u>5,095,497</u>
Current Income Taxes	(7,474,103)	(3,829,477)	(3,644,626)
Deferred Income Taxes	<u>17,729,419</u>	<u>9,787,339</u>	<u>7,942,080</u>
Total Operating Expenses	<u>\$196,760,140</u>	<u>\$120,217,626</u>	<u>\$76,542,514</u>
<b>Operating Income</b>	<u><u>\$39,042,065</u></u>	<u><u>\$23,933,700</u></u>	<u><u>\$15,108,365</u></u>
<b>Year End Rate Base</b>	<u><u>\$451,699,738</u></u>	<u><u>\$282,678,745</u></u>	<u><u>\$169,020,993</u></u>
<b>Rate of Return</b>	<u><u>8.64%</u></u>	<u><u>8.47%</u></u>	<u><u>8.94%</u></u>

**MONTANA-DAKOTA UTILITIES CO.**  
**YEAR END RATE BASE**  
**ELECTRIC UTILITY**  
**TWELVE MONTHS ENDED DECEMBER 31, 2012**

	<u>Total Company</u>	<u>North Dakota</u>	<u>Others</u>
<b><u>Plant in Service</u></b>			
Electric Plant in Service			
Steam Production	\$378,823,230	\$226,235,464	\$152,587,766
Other Production	153,449,193	105,088,339	48,360,854
Total Production	<u>532,272,423</u>	<u>331,323,803</u>	<u>200,948,620</u>
Transmission	180,542,078	126,726,574	53,815,504
Distribution	276,406,412	167,287,301	109,119,111
General	24,361,307	14,892,128	9,469,179
Common	33,415,038	21,615,544	11,799,494
Intangible Plant - General	9,098,948	6,217,345	2,881,603
Intangible Plant - Common	14,681,566	9,155,947	5,525,619
Acquisition Adjustment	10,387,642	7,463,712	2,923,930
Total Electric Plant in Service	<u>1,081,165,414</u>	<u>684,682,354</u>	<u>396,483,060</u>
Accumulated Reserve for Depreciation			
Steam Production	212,025,868	141,604,879	70,420,989
Other Production	29,999,471	20,771,129	9,228,342
Total Production	<u>242,025,339</u>	<u>162,376,008</u>	<u>79,649,331</u>
Transmission	87,721,430	57,834,664	29,886,766
Distribution	126,140,945	71,301,461	54,839,484
General	9,950,069	5,934,694	4,015,375
Common	15,044,010	9,783,275	5,260,735
Intangible Plant - General	6,462,259	4,575,578	1,886,681
Intangible Plant - Common	11,155,601	6,957,030	4,198,571
Acquisition Adjustment	10,147,565	7,291,212	2,856,353
Total Accum. Reserve for Depreciation	<u>508,647,218</u>	<u>326,053,922</u>	<u>182,593,296</u>
Net Electric Plant in Service	572,518,196	358,628,432	213,889,764
CWIP in Service Pending Reclass.	4,985,821	3,639,920	1,345,901
Total Electric Plant in Service	<u>\$577,504,017</u>	<u>\$362,268,352</u>	<u>\$215,235,665</u>
<b><u>Additions</u></b>			
Materials and Supplies	15,060,097	11,051,624	4,008,473
Fuel Stocks	5,067,320	3,328,504	1,738,816
Prepayments	171,570	112,388	59,182
Unamortized Loss on Debt	6,145,813	3,720,122	2,425,691
Total Additions	<u>26,444,800</u>	<u>18,212,638</u>	<u>8,232,162</u>
Total Before Deductions	\$603,948,817	\$380,480,990	\$223,467,827
<b><u>Deductions</u></b>			
Accumulated Deferred Income Taxes	145,839,128	94,455,690	51,383,438
Accumulated Investment Tax Credits	813,836	813,836	0
Customer Advances	5,596,115	2,532,719	3,063,396
Total Deductions	<u>152,249,079</u>	<u>97,802,245</u>	<u>54,446,834</u>
<b>Year End Rate Base</b>	<u><u>\$451,699,738</u></u>	<u><u>\$282,678,745</u></u>	<u><u>\$169,020,993</u></u>