

Case No.: PU-16-666
Witness: RA Polich
Date: 24-Feb-17
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MONTANA-DAKOTAS UTILITIES
RATE INCREASE APPLIACION
CASE NO. PU-16-666
EXAMPLE DECOMMISSIONING COST IMPACT ON MONTANA RATE PAYERS

DECOMMISSIOING FUNDS COLLECTION THROUGH 2014

DECOMMISSIONING COLLECTED				INFLATION ADJUSTMENTS	
YEAR	Collected	Cumulative	2016 Dollar Value	2016 Equivalent Collected Value	2016 Equivalent Cumulative Value
1995	\$335,610	\$335,610	1.57	\$526,907	\$526,907
1996	\$335,610	\$671,219	1.52	\$510,127	\$1,037,034
1997	\$335,610	\$1,006,829	1.49	\$500,058	\$1,537,092
1998	\$335,610	\$1,342,439	1.46	\$489,990	\$2,027,083
1999	\$335,610	\$1,678,049	1.43	\$479,922	\$2,507,004
2000	\$335,610	\$2,013,658	1.39	\$466,497	\$2,973,502
2001	\$335,610	\$2,349,268	1.35	\$453,073	\$3,426,575
2002	\$335,610	\$2,684,878	1.33	\$446,361	\$3,872,936
2003	\$335,610	\$3,020,487	1.3	\$436,293	\$4,309,229
2004	\$335,610	\$3,356,097	1.26	\$422,868	\$4,732,097
2005	\$335,610	\$3,691,707	1.22	\$409,444	\$5,141,541
2006	\$335,610	\$4,027,316	1.19	\$399,376	\$5,540,916
2007	\$335,610	\$4,362,926	1.15	\$385,951	\$5,926,867
2008	\$335,610	\$4,698,536	1.11	\$372,527	\$6,299,394
2009	\$335,610	\$5,034,146	1.11	\$372,527	\$6,671,921
2010	\$335,610	\$5,369,755	1.1	\$369,171	\$7,041,092
2011	\$335,610	\$5,705,365	1.06	\$355,746	\$7,396,838
2012	\$335,610	\$6,040,975	1.04	\$349,034	\$7,745,872
2013	\$335,610	\$6,376,584	1.03	\$345,678	\$8,091,550
2014	\$335,610	\$6,712,194	1.01	\$338,966	\$8,430,516

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2016 VALUE OF DECOMMISSIONING REFUNDS & NET RATE PAYER IMPACT

	Depreciation Reduction Amount	CPI *	2016 Value of Refund
2016	\$671,219	1.000	\$671,219
2017	\$671,219	0.99	\$664,507
2018	\$671,219	0.980	\$657,795
2019	\$671,219	0.970	\$651,217
2020	\$671,219	0.960	\$644,639
2021	\$671,219	0.951	\$638,193
2022	\$671,219	0.941	\$631,746
2023	\$671,219	0.932	\$625,429
2024	\$671,219	0.922	\$619,111
2025	\$671,219	0.913	\$612,920

2016 Value of Decommissioning Depreciation Reduction	\$6,416,777
2016 Value of Decommissioning Collections	\$8,430,516
Rate Payer Benefit/(Loss)	-\$2,013,738
Rate Payer Percent Loss	23.9%