

Schedule E-3

20:10:13:67. Schedule E-3 -- Working papers on allocation of overall accounts. For each allocation of an overall account to obtain the amounts applicable to various functional groups of plant, schedule E-3 shall provide a complete explanation of the method, procedures and significant data used in making the allocation.

Source:2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

Common utility plant is allocated to the Electric and Gas departments using a 3 factor formula, which is updated annually. For purposes of Assets and Accumulated Depreciation Statements and Schedules, the South Dakota and Nebraska common plant is allocated using the 3-factor study results below:

2014 SD & NE ADMINISTRATIVE AND GENERAL ALLOCATION STUDY

The October period allocation study was completed November 20, 2013.

General Office Electric & Gas Allocation Study (October 2013)

Factors used were:

1. Rate-Based Plant Balances (October 2013)
2. Customers (October 2013)
3. Operations Labor (12ME October 2013)

The results are:

Electric -	58%
SD Gas -	24%
NE Gas -	18%
	<u>100%</u>

Common utility plant that serves all jurisdictions is allocated to the Electric and Gas departments using a 3 factor formula, which is updated annually. The single asset this factor is applied to is our aircraft. The allocation for aircraft original cost and accumulated depreciation uses the common plant 3-factor study results below:

2014 TOTAL COMPANY ADMINISTRATIVE AND GENERAL ALLOCATION STUDY

The allocation study was completed in November 2013.

2014 UTILITY ADMINISTRATION STUDY

Factors used were:

1. Gross Plant (October 2013)
2. Margin (12ME October 2013)
3. Operations Labor (12ME October 2013)

The results are:

Montana -	73%
South Dakota Electric -	11%
South Dakota Gas -	5%
Nebraska Gas -	4%
CU4 -	7%
	<u>100%</u>