

Schedule K-4

20:10:13:92. Schedule K-4 -- Working papers for an allowance for current tax greater than tax calculated at consolidated rate. If the utility claims an allowance for current tax in its cost of service which would be greater than the federal income tax calculated at the consolidated tax rate or taxes as a percentage of total taxable income of individual companies with positive taxable income, full disclosure thereof shall be made, including the allocation among utility and nonutility departments of the tax payable and the assignment of deductions or tax benefits relied upon, or both.

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.

NorthWestern Corporation, dba NorthWestern Energy
Computation of Federal and State Income Taxes
Working Papers for an Allowance for Current Tax Greater
Than Tax Calculated at Consolidated Rate
Twelve Months Ending September 30, 2014

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The "Stand-Alone" Method is used to compute the Income Tax Expense or Benefit to Northwestern Public Service. Northwestern Public Service pays to its Parent the amount of Tax which equals but does not exceed the amount of Tax it would have paid had it filed separate "Stand-Alone" Tax Returns.