

NorthWestern Energy
South Dakota Electric
Revenue Requirement Model Description

Schedule L-1

20:10:13:95. Schedule L-1 -- Working papers for adjusted taxes. Schedule L-1 shall show computations of adjusted taxes claimed in statement L.

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
 South Dakota Electric Rate Case
 Adjustments to Taxes Other than Income Taxes
 September 30, 2014 Test Year

| Line No. | Account No. | Description | Actual Per Books Year ended 9/30/2014 (c) |
|-------------|----------------|--------------------------------------|---|
| | (a) | (b) | |
| 1 | | | |
| 2 | | Revenue Increase | 26,509,557 |
| 3 | | Gross Receipts tax rate | 0.0015 |
| 4 | | Pro Forma Gross Receipts tax expense | 39,764 |
| 5 | | Tax adjustment | 39,764 |
| 6 | | | |
| 7 | | Payroll Tax - FICA | 676,920 |
| 8 | | Payroll Tax - Medicare | 196,307 |
| 9 | | Payroll Tax - FUT | 6,769 |
| 10 | | Payroll Tax - SUT - SD | 4,062 |
| 11 | | Total Test year payroll taxes | 884,058 |
| 12 | | Pay increase for 2015 - 3% | 26,522 |
| 13 | | Pay increase for 2016 - 3% | 27,317 |
| 14 | | Tax adjustment | 53,839 |
| 15 | | | |
| 16 | | Total tax adjustments | 93,603 |