

**Transmission Riders**

**Property Tax Estimate -- 2020 Expense Pay 2021**  
 (Based on Estimated 12/31/2019 Data)

BN 9/23/2020

		A	B	C	D	E
		Dog Lake Substation Expansion 108005	115 KV Dog Lake - Badoura Line #40 108035	Dog Lake Expansion - Line #24 108547	Dog Lake Expansion - Line #155 108550	Baxter-534FDR Underbuild- GRE 115kv (D Lines) 108985
		10/31/17	10/31/17	12/31/17	12/31/17	12/31/17
In Service						
Taxable		2,875,048	64,072	354,913	590,163	276,346
CWIP Balance		0	0	0	0	0
Location		Becker Twp, Cass County	Badoura Twp, Hubbard County			Morrison County (near Motley)
		<b>Estimated Taxes</b>	<b>Estimated Taxes</b>	<b>Estimated Taxes</b>	<b>Estimated Taxes</b>	<b>Estimated Taxes</b>
OIC	A	2,875,048	64,072	354,913	590,163	276,346
Company Factor	B	1	1	1	1	1
Market Value	C = A X B	2,875,048	64,072	354,913	590,163	276,346
State Assessment Rate	D	0.02	0.02	0.02	0.02	0.02
Tax Capacity Value	E = C X D	57,501	1,281	7,098	11,803	5,527
Tax Capacity Value	E	57,501	1,281	7,098	11,803	5,527
State Business Tax Rate	F	0.38846	0.38846	0.38846	0.38846	0.38846
Tax Capacity Value	G = E X F	22,337	498	2,757	4,585	2,147
Tax Capacity Value	E	57,501	1,281	7,098	11,803	5,527
Tax Capacity Rate	H	0.70142	0.71385	1.00757	0.74110	1.07258
Total Est. Property Taxes	I = E X H	40,332	915	7,152	8,747	5,928
	J = G + I	62,669	1,413	9,909	13,332	8,075
Taxes as a % of OIC		2.18%	2.21%	2.79%	2.26%	2.92%

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Assumptions/Notes:	1	Assets are regulated utility personal property
	2	Market Value = OIC
	3	Company Factor = Not Applicable Estimate is to determine the <b>incremental change</b> in total company property taxes as a result of dollars spent on personal utility property. The Company Factor is the product of a calculation based on the OIC of all personal property. The Company Factor is applied to the OIC in a particular taxing district when determining an individual tax bill.
	4	Assets ARE NOT classified as generation machinery; therefore ARE NOT exempt from state "business" tax.
	5	The state business tax rate = 2019 Pay 2020
	6	Transmission Lines: The weighted tax capacity rate was used since lines can cross many different taxing districts.
	7	Substation Taxing District Rate = for applicable location = 2019 Pay 2020.
	8	North Dakota property tax on transmission is based on miles and KV.
	9	All projects are assumed to be in place.