

Market Value – Telecommunication Company Before Supreme Court Decision

<u>Approach</u>	<u>IPP%</u>	<u>MV before IPP</u>	<u>IPP Exemption</u>	<u>MV after IPP</u>	<u>Weighting</u>
Cost	61%	\$652,000,000	(\$400,002,000)	\$251,998,000	75%
Income	15%	\$620,000,000	(\$93,000,000)	\$527,000,000	20%
Market	15%	\$615,000,000	(\$92,250,000)	\$522,750,000	5%
System Market Value	50%	\$643,750,000	(\$323,214,000)	\$320,536,000	

Montana Allocation %	<u>50%</u>
Montana Market Value	\$160,268,000
Tax Rate	<u>6%</u>
	\$ 9,616,080
Mill Levy	<u>0.500</u>
Tax	\$ 4,808,040

Market Value – Telecommunication Company After Supreme Court Decision

<u>Approach</u>	<u>IPP%</u>	<u>MV before IPP</u>	<u>IPP Exemption</u>	<u>MV after IPP</u>	<u>Weighting</u>
Cost	70%	\$652,000,000	(\$456,400,000)	\$195,600,000	75%
Income	30%	\$620,000,000	(\$186,000,000)	\$434,000,000	20%
Market	30%	\$615,000,000	(\$184,500,000)	\$430,500,000	5%
System Market Value	60%	\$643,750,000	(\$388,725,000)	\$255,025,000	

Montana Allocation %	<u>50%</u>
Montana Market Value	\$127,512,500
Tax Rate	<u>6%</u>
	\$7,650,750
Mill Levy	<u>0.500</u>
Tax	\$3,825,375

Market Value – Telecommunication Company Based on Senate Bill 394

<u>Approach</u>		<u>MV</u>	<u>Weighting</u>
Cost		\$652,000,000	75%
Income		\$620,000,000	20%
Market		<u>\$615,000,000</u>	5%
System Market Value before IPP		\$643,750,000	
	Booked IPP %	MV IPP %	
IPP Exemption	75%	74%	<u>(\$476,703,000)</u>
System Market Value After IPP Exemption		\$ 167,047,000	
	Montana Allocation %	<u>50%</u>	
	Montana Market Value	\$83,523,500	
	Tax Rate	<u>6%</u>	
		\$5,011,410	
	Mill Levy	<u>0.500</u>	
	Tax	\$2,505,705	

Market Value – Telecommunication Company

Taxpayer Requested Exemption Based on SB 394

<u>Approach</u>		<u>MV</u>	<u>Weighting</u>
Cost		\$652,000,000	75%
Income		\$620,000,000	20%
Market		<u>\$615,000,000</u>	5%
System Market Value before IPP		\$643,750,000	
	<i>Taxpayer Determined IPP %</i>		
		<i>MV IPP %</i>	
<i>IPP Exemption</i>	80%	79%	<u>(\$508,483,000)</u>
<i>System Market Value After IPP Exemption</i>		\$ 135,267,000	
	Montana Allocation %	<u>50%</u>	
	Montana Market Value	\$67,633,500	
	Tax Rate	<u>6%</u>	
		\$4,058,010	
	Mill Levy	<u>0.500</u>	
	Tax	\$2,029,005	

Market Value and Tax Summary

	<u>MV before IPP</u>	<u>IPP%</u>	<u>IPP Exemption</u>	<u>MV after IPP</u>	<u>Tax</u>
Before Supreme Court Decision	\$643,750,000	50%	(\$323,214,000)	\$320,536,000	\$4,808,040
After Supreme Court Decision	\$643,750,000	60%	(\$388,725,000)	\$255,025,000	\$3,825,375
Senate Bill 394	\$643,750,000	74%	(\$476,703,000)	\$167,047,000	\$2,505,705
Taxpayer Requested Exemption	\$643,750,000	79%	(\$508,483,000)	\$135,267,000	\$2,009,005