

Transition Costs - as of June 30, 2017

	<u>Investment</u>	<u>Depreciation & Amortization</u>
One-time non-capital costs **	8,837,002	1,767,400
One-time capital costs **		
MGE Reg Assets(TOA)	1,942,906	592,490
720 Leasehold	1,446,774	469,224
MGE newBlue *	32,480,310	2,273,622
Total	<u>44,706,992</u>	<u>5,102,736</u>
Net of Tax	0.6222	27,818,434
Pre-Tax RORB	<u>10.875%</u>	
Return on Rate Base	3,025,255	
newBlue Property Taxes @ 2.5%	812,008	
Depreciation & Amortization	<u>5,102,736</u>	
Total Costs - Synergy Threshold	<u><u>8,939,998</u></u>	

* This asset is recorded in our normal accounts (391,500) in accordance with Attachment 1 to the S&A in GR-2013-0254, and represents a significant savings to developing the software at MGE on a stand-alone basis (as detailed in Rebuttal testimony of Ryan Hyman).

** Will be updated with the True-up