



UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

June 1, 2017

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Case No. PU-16-666

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. ("Montana-Dakota" or the "Company") herewith submits the following workpapers in response to the Commission's discussion at the work session held on May 30, 2017. The Company understands a formal request for this and additional information will be forthcoming and additional responses as necessary will be provided.

In the interest of time, the workpapers supporting the deferred tracker balances for each of the Rate Riders are attached hereto and identified as noted below:

Generation Rider – Attachment A:

The Generation Rider was last updated based on projected costs through December 31, 2016 in Case No. PU-15-704 with rates effective March 15, 2016.

Actual costs as of December 31, 2016:

- Net under collection of \$1,834,599 remains to be collected from customers
- Balance is based on an ROE of 9.45 percent and the Settlement capital structure
- Reflects a reduction of \$656,190 from interim rider ROE of 10.50%

Renewable Rider – Attachment B:

The Renewable Rider was last updated based on projected costs through December 31, 2016 in Case No. PU-15-703 with rates effective January 7, 2016.

Actual costs of December 31, 2016:

- Net over collection of \$947,527 is owed to customers
- Balance is based on an ROE of 9.45 percent and the Settlement capital structure
- Reflects a reduction of \$1,277,402 from interim ROE of 10.50%

Transmission Rider – Attachment C:

The Transmission Rider was last updated based on projected costs through December 31, 2016 in Case No. PU-15-747 with rates effective February 12, 2016.

Actual costs as of December 31, 2016:

- Net under collection of \$4,115,134 million remains to be collected from customers
- Balance is based on an ROE of 9.45 percent and the Settlement capital structure
- Reflects a reduction of \$268,962 from interim ROE of 10.50%

Environmental Rider – Attachment D:

The Environmental Rider was last updated based on projected costs through June 30, 2016 in Case No. PU-15-143 with rates effective July 1, 2015.

Actual costs as of December 31, 2016:

- Net under collection of \$3,060,271 based on an ROE of 10.75 percent and the capital structure authorized in Case No. PU-10-124 remains to be collected from customers.

Please contact me at 701.222.7856 or tamie.aberle@mdu.com with any further questions.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Cc: Service List

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Balancing Account and Carry Charge Calculation

	H3 Revenue Requirement	RICE Revenue Requirement	Revenue Collected	(Over)/Under Collection	Cumulative (Over)/Under	Carrying Charge Calculation				Grand Total (Over)/Under Collection
						Deferred Income Tax	Net Balance	Rate 1/	Carrying Charge 2/	
2015										
July					\$377,197	\$142,586	\$234,611			\$377,197
August	\$359,973	\$0	\$410,365	(\$50,392)	326,805	123,537	203,268	0.07%	\$14	326,819
September	354,645	-	396,650	(42,005)	284,800	107,659	177,141	0.02%	3	284,817
October	354,386	-	353,943	443	285,243	107,826	177,417	0.02%	3	285,263
November	356,735	-	322,698	34,037	319,280	120,693	198,587	0.12%	18	319,318
December	378,737	292,247	410,100	260,884	580,164	219,311	360,853	0.23%	38	580,240
Total									\$76	
2016										
January	\$350,902	\$353,697	\$454,337	\$250,262	\$830,426	\$313,913	\$516,513	0.26%	\$78	\$830,580
February	346,336	356,214	413,451	289,099	1,119,525	423,197	696,328	0.31%	133	1,119,812
March	353,639	351,939	416,731	288,847	1,408,372	532,386	875,986	0.29%	168	1,408,827
April	349,121	364,935	598,193	115,863	1,524,235	576,184	948,051	0.23%	168	1,524,858
May	345,949	362,174	610,545	97,578	1,621,813	613,070	1,008,743	0.27%	213	1,622,649
June	346,801	366,483	673,014	40,270	1,662,083	628,292	1,033,791	0.27%	227	1,663,146
July	356,189	361,711	686,323	31,577	1,693,660	640,229	1,053,431	0.30%	258	1,694,981
August	349,311	358,501	779,469	(71,657)	1,622,003	613,141	1,008,862	0.30%	263	1,623,587
September	342,277	382,484	704,813	19,948	1,641,951	620,682	1,021,269	0.29%	244	1,643,779
October	347,196	385,762	614,434	118,524	1,760,475	665,486	1,094,989	0.33%	281	1,762,584
November	345,986	366,194	593,926	118,254	1,878,729	710,188	1,168,541	0.45%	411	1,881,249
December	347,770	364,797	759,714	(47,147)	1,831,582	692,365	1,139,217	0.51%	497	1,834,599
Total									\$2,941	

1/ Carrying charges calculated based on the three-month Treasury Bill rate.

2/ Based on prior month ending balance.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Heskett 3
Actual 2015 and 2016

	Total 8/15 - 12/16	Actual				
		Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015
Rate Base						
Plant Balance						
Generators		\$37,927,331	\$37,927,428	\$37,986,481	\$37,963,402	\$38,666,362
Misc. Power Plant Equip.		671,347	671,347	671,347	671,712	671,712
Total Plant Balance		<u>\$38,598,678</u>	<u>\$38,598,775</u>	<u>\$38,657,828</u>	<u>\$38,635,114</u>	<u>\$39,338,074</u>
Accumulated Reserve						
Generators		\$874,609	\$948,112	\$1,021,615	\$1,095,233	\$1,168,806
Misc. Power Plant Equip.		18,100	19,499	20,898	22,296	23,696
Total Accumulated Reserve		<u>\$892,709</u>	<u>\$967,611</u>	<u>\$1,042,513</u>	<u>\$1,117,529</u>	<u>\$1,192,502</u>
Net Plant in Service		<u>\$37,705,969</u>	<u>\$37,631,164</u>	<u>\$37,615,315</u>	<u>\$37,517,585</u>	<u>\$38,145,572</u>
Accum Def Income Taxes 1/		\$7,138,973	\$7,171,995	\$7,205,017	\$7,238,039	\$7,271,060
Total Plant in Service		<u>\$30,566,996</u>	<u>\$30,459,169</u>	<u>\$30,410,298</u>	<u>\$30,279,546</u>	<u>\$30,874,512</u>
Average Rate Base	\$29,639,699					
Return on Rate Base 2/	\$3,049,286	\$184,981	\$184,329	\$184,033	\$183,242	\$186,842
Expenses						
Operating Expenses						
O&M 3/	\$184,868	\$8,341	\$3,783	\$4,038	\$7,374	\$23,968
Generators		73,479	73,503	73,503	73,618	73,573
Misc. Power Plant Equip.		1,399	1,399	1,399	1,398	1,400
Depreciation	1,274,888	74,878	74,902	74,902	75,016	74,973
Taxes Other Than Income 4/	224,417	15,793	15,918	15,822	15,836	16,210
Total Expenses	<u>\$1,684,173</u>	<u>\$99,012</u>	<u>\$94,603</u>	<u>\$94,762</u>	<u>\$98,226</u>	<u>\$115,151</u>
Income before Taxes (EBIT)	(\$1,684,173)	(\$99,012)	(\$94,603)	(\$94,762)	(\$98,226)	(\$115,151)
Interest Expense	988,435	59,962	59,751	59,655	59,398	60,566
Taxable income	<u>(\$2,672,608)</u>	<u>(\$158,974)</u>	<u>(\$154,354)</u>	<u>(\$154,417)</u>	<u>(\$157,624)</u>	<u>(\$175,717)</u>
Income Taxes 5/	<u>(\$1,010,285)</u>	<u>(\$60,095)</u>	<u>(\$58,348)</u>	<u>(\$58,372)</u>	<u>(\$59,584)</u>	<u>(\$66,424)</u>
Net Income Taxes	<u>(\$1,010,285)</u>	<u>(\$60,095)</u>	<u>(\$58,348)</u>	<u>(\$58,372)</u>	<u>(\$59,584)</u>	<u>(\$66,424)</u>
Operating Income	<u>(\$673,888)</u>	<u>(\$38,917)</u>	<u>(\$36,255)</u>	<u>(\$36,390)</u>	<u>(\$38,642)</u>	<u>(\$48,727)</u>
Revenue Requirement	<u>\$5,985,953</u>	<u>\$359,973</u>	<u>\$354,645</u>	<u>\$354,386</u>	<u>\$356,735</u>	<u>\$378,737</u>

Factor 15-Integrated Sys. 12 Month Peak Demand 72.196505%

1/ Monthly Deferred Income Tax activity is 1/12 of change between December 2014 and December 2015 and December 2015 and December 2016.

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	42.673%	5.245%	2.238%
Short Term Debt	4.840%	2.402%	0.116%
Preferred Equity	1.084%	4.579%	0.050%
Common Equity	51.403%	9.450%	4.858%
	<u>100.000%</u>		<u>7.262%</u>

3/ Responsibility # 814: Heskett III.

4/ Property tax effective rate times plant balance plus payroll tax. Effective rate: 0.486%

5/ Tax Rate 37.8015% (Federal Tax Rate = 35%, Tax Rate = 4.31%)
 1- tax rate 62.1985%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Heskett 3
Actual 2015 and 2016**

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
Rate Base												
Plant Balance												
Generators	\$37,677,807	\$37,793,099	\$37,793,415	\$37,793,424	\$37,793,424	\$37,793,424	\$37,793,526	\$37,793,526	\$37,793,526	\$37,793,526	\$37,794,242	\$37,794,707
Misc. Power Plant Equip.	667,230	669,280	669,280	558,611	558,611	558,611	558,851	558,851	558,851	558,851	558,851	558,851
Total Plant Balance	\$38,345,037	\$38,462,379	\$38,462,695	\$38,352,035	\$38,352,035	\$38,352,035	\$38,352,377	\$38,352,377	\$38,352,377	\$38,352,377	\$38,353,093	\$38,353,558
Accumulated Reserve												
Generators	\$1,234,402	\$1,311,370	\$1,384,613	\$1,457,856	\$1,531,100	\$1,604,344	\$1,677,587	\$1,751,127	\$1,824,371	\$1,897,615	\$1,970,859	\$2,048,967
Misc. Power Plant Equip.	24,907	26,376	27,770	29,165	30,328	31,492	32,656	33,821	34,985	36,149	37,313	38,896
Total Accumulated Reserve	\$1,259,309	\$1,337,746	\$1,412,383	\$1,487,021	\$1,561,428	\$1,635,836	\$1,710,243	\$1,784,948	\$1,859,356	\$1,933,764	\$2,008,172	\$2,087,863
Net Plant in Service	\$37,085,728	\$37,124,633	\$37,050,312	\$36,865,014	\$36,790,607	\$36,716,199	\$36,642,134	\$36,567,429	\$36,493,021	\$36,418,613	\$36,344,921	\$36,265,695
Accum Def Income Taxes 1/	\$7,294,486	\$7,317,912	\$7,341,338	\$7,364,764	\$7,388,190	\$7,411,616	\$7,435,042	\$7,458,468	\$7,481,894	\$7,505,320	\$7,528,746	\$7,552,167
Total Plant in Service	\$29,791,242	\$29,806,721	\$29,708,974	\$29,500,250	\$29,402,417	\$29,304,583	\$29,207,092	\$29,108,961	\$29,011,127	\$28,913,293	\$28,816,175	\$28,713,528
Average Rate Base												
Return on Rate Base 2/	\$180,287	\$180,380	\$179,789	\$178,526	\$177,934	\$177,342	\$176,752	\$176,158	\$175,566	\$174,974	\$174,386	\$173,765
Expenses												
Operating Expenses												
O&M 3/	\$8,897	\$5,284	\$13,206	\$10,612	\$8,425	\$10,162	\$20,278	\$14,236	\$8,156	\$13,786	\$13,517	\$10,805
Generators	74,373	73,240	73,243	73,243	73,244	73,244	73,243	73,244	73,244	73,244	73,244	78,108
Misc. Power Plant Equip.	1,389	1,394	1,394	1,395	1,163	1,164	1,164	1,165	1,164	1,164	1,164	1,583
Depreciation	75,762	74,634	74,637	74,638	74,407	74,408	74,407	74,409	74,408	74,408	74,408	79,691
Taxes Other Than Income 4/	11,903	11,947	12,158	12,016	12,096	12,045	12,151	12,150	12,033	12,157	12,046	12,136
Total Expenses	\$96,562	\$91,865	\$100,001	\$97,266	\$94,928	\$96,615	\$106,836	\$100,795	\$94,597	\$100,351	\$99,971	\$102,632
Income before Taxes (EBIT)	(\$96,562)	(\$91,865)	(\$100,001)	(\$97,266)	(\$94,928)	(\$96,615)	(\$106,836)	(\$100,795)	(\$94,597)	(\$100,351)	(\$99,971)	(\$102,632)
Interest Expense	58,440	58,471	58,279	57,870	57,678	57,486	57,295	57,102	56,910	56,718	56,528	56,326
Taxable income	(\$155,002)	(\$150,336)	(\$158,280)	(\$155,136)	(\$152,606)	(\$154,101)	(\$164,131)	(\$157,897)	(\$151,507)	(\$157,069)	(\$156,499)	(\$158,958)
Income Taxes 5/	(\$58,593)	(\$56,829)	(\$59,832)	(\$58,644)	(\$57,687)	(\$58,252)	(\$62,044)	(\$59,687)	(\$57,272)	(\$59,374)	(\$59,159)	(\$60,089)
Net Income Taxes	(\$58,593)	(\$56,829)	(\$59,832)	(\$58,644)	(\$57,687)	(\$58,252)	(\$62,044)	(\$59,687)	(\$57,272)	(\$59,374)	(\$59,159)	(\$60,089)
Operating Income	(\$37,969)	(\$35,036)	(\$40,169)	(\$38,622)	(\$37,241)	(\$38,363)	(\$44,792)	(\$41,108)	(\$37,325)	(\$40,977)	(\$40,812)	(\$42,543)
Revenue Requirement	\$350,902	\$346,336	\$353,639	\$349,121	\$345,949	\$346,801	\$356,189	\$349,311	\$342,277	\$347,196	\$345,986	\$347,770

Factor 15-Integrated Sys. 12 Mon 71.870735%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark RICE
Actual 2015 and 2016

	Total 1/16 - 12/16	Actual												
		Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
Rate Base														
Plant Balance														
Fuel Holders, Products & Acc. Generators		\$278,838	\$280,815	\$281,955	\$320,545	\$331,385	\$331,385	\$331,385	\$331,385	\$328,394	\$329,263	\$329,963	\$329,963	\$331,685
		30,671,374	30,546,799	30,815,145	30,351,977	31,485,009	31,589,526	31,972,950	31,694,708	32,286,302	32,343,475	32,359,524	32,378,345	32,417,958
Total Plant Balance		\$30,950,212	\$30,827,614	\$31,097,100	\$30,672,522	\$31,816,394	\$31,920,911	\$32,304,335	\$32,026,093	\$32,614,696	\$32,672,738	\$32,689,487	\$32,708,308	\$32,749,643
Accumulated Reserve														
Fuel Holders, Products & Acc. Generators		\$0	\$576	\$1,165	\$1,753	\$2,421	\$3,111	\$3,801	\$4,491	\$5,182	\$5,866	\$6,552	\$7,239	\$7,927
		0	63,419	127,442	191,640	254,873	320,467	386,279	452,889	518,920	586,183	653,565	720,981	788,435
Total Accumulated Reserve		\$0	\$63,995	\$128,607	\$193,393	\$257,294	\$323,578	\$390,080	\$457,380	\$524,102	\$592,049	\$660,117	\$728,220	\$796,362
Net Plant in Service		\$30,950,212	\$30,763,619	\$30,968,493	\$30,479,129	\$31,559,100	\$31,597,333	\$31,914,255	\$31,568,713	\$32,090,594	\$32,080,689	\$32,029,370	\$31,980,088	\$31,953,281
Accum Def Income Taxes 1/		\$35,986	\$110,222	\$184,458	\$258,694	\$332,930	\$407,166	\$481,402	\$555,638	\$629,874	\$704,110	\$778,346	\$852,582	\$926,813
Total Plant in Service		\$30,914,226	\$30,653,397	\$30,784,035	\$30,220,435	\$31,226,170	\$31,190,167	\$31,432,853	\$31,013,075	\$31,460,720	\$31,376,579	\$31,251,024	\$31,127,506	\$31,026,468
Average Rate Base	\$31,052,050													
Return on Rate Base 2/	\$2,442,917	\$187,083	\$185,504	\$186,295	\$182,884	\$188,970	\$188,752	\$190,221	\$187,681	\$190,390	\$189,881	\$189,121	\$188,373	\$187,762
Expenses														
Operating Expenses														
O&M 3/	\$46,958	\$0	\$0	\$733	\$1,284	\$5,539	\$609	\$2,279	\$545	(\$6,472)	\$16,980	\$20,963	\$2,596	\$1,902
Depreciation	796,168	0	63,995	64,418	64,786	63,901	66,284	66,502	67,300	66,722	67,947	68,068	68,103	68,142
Taxes Other Than Income 4/	377,663	28,319	28,002	28,247	27,865	28,905	29,000	29,348	29,095	29,658	29,681	29,928	29,747	29,868
Total Expenses	\$2,016,957	\$28,319	\$91,997	\$93,398	\$93,935	\$98,345	\$95,893	\$98,129	\$96,940	\$89,908	\$114,608	\$118,959	\$100,446	\$99,912
Income before Taxes (EBIT)	(\$1,220,789)	(\$28,319)	(\$91,997)	(\$93,398)	(\$93,935)	(\$98,345)	(\$95,893)	(\$98,129)	(\$96,940)	(\$89,908)	(\$114,608)	(\$118,959)	(\$100,446)	(\$99,912)
Interest Expense	791,878	60,643	60,132	60,388	59,282	61,255	61,185	61,661	60,837	61,715	61,550	61,304	61,062	60,864
Taxable income	(\$2,012,667)	(\$88,962)	(\$152,129)	(\$153,786)	(\$153,217)	(\$159,600)	(\$157,078)	(\$159,790)	(\$157,777)	(\$151,623)	(\$176,158)	(\$180,263)	(\$161,508)	(\$160,776)
Income Taxes 5/	(\$760,817)	(\$33,629)	(\$57,507)	(\$58,133)	(\$57,918)	(\$60,331)	(\$59,378)	(\$60,403)	(\$59,642)	(\$57,316)	(\$66,590)	(\$68,142)	(\$61,052)	(\$60,776)
Net Income Taxes	(\$760,817)	(\$33,629)	(\$57,507)	(\$58,133)	(\$57,918)	(\$60,331)	(\$59,378)	(\$60,403)	(\$59,642)	(\$57,316)	(\$66,590)	(\$68,142)	(\$61,052)	(\$60,776)
Operating Income	(\$459,972)	\$5,310	(\$34,490)	(\$35,265)	(\$36,017)	(\$38,014)	(\$36,515)	(\$37,726)	(\$37,298)	(\$32,592)	(\$48,018)	(\$50,817)	(\$39,394)	(\$39,136)
Revenue Requirement	\$4,667,138	\$292,247	\$353,697	\$356,214	\$351,939	\$364,935	\$362,174	\$366,483	\$361,711	\$358,501	\$382,484	\$385,762	\$366,194	\$364,797

Factor 15-Integrated Sys. 12 Month Peak Demand 72.196505% 71.870735%

1/ Monthly Deferred Income Tax activity is 1/12 of change between December 2015 and December 2016.

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	42.673%	5.245%	2.238%
Short Term Debt	4.840%	2.402%	0.116%
Preferred Equity	1.084%	4.579%	0.050%
Common Equity	51.403%	9.450%	4.858%
	100.000%		7.262%

3/ Responsibility # 820: Cost Center #820002: Lewis & Clark Station 2

4/ Property tax effective rate times plant balance plus payroll tax. Effective rate: 1.098% 1.090%

5/ Tax Rate 37.8015% (Federal Tax R (Federal Tax Rate = 35%, Tax Rate = 4.31%)
 1- tax rate 62.1985%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Balancing Account and Carry Charge Calculation**

	Revenue Requirement	Revenue Collected	(Over)/Under Collection	Cumulative (Over)/Under	Carrying Charge Calculation			Grand Total (Over)/Under Collection	
					Deferred Income Tax	Net Balance	Rate 1/ Carrying Charge 2/		
<u>2015</u>									
November				\$0				\$0	
December	\$966,504	-	\$966,504	966,504	\$365,353	\$601,151	-	966,504	
Total							\$0		
<u>2016</u>									
January	\$933,371	\$325,603	\$607,768	\$1,574,272	\$595,098	\$979,174	0.26%	\$130	\$1,574,402
February	835,382	1,196,788	(361,406)	1,212,866	458,482	754,384	0.31%	253	1,213,249
March	993,120	1,231,244	(238,124)	974,742	368,467	606,275	0.29%	182	975,307
April	722,455	1,015,625	(293,170)	681,572	257,644	423,928	0.23%	116	682,253
May	1,060,665	937,757	122,908	804,480	304,106	500,374	0.27%	95	805,256
June	863,413	1,057,772	(194,359)	610,121	230,635	379,486	0.27%	113	611,010
July	1,008,720	1,051,716	(42,996)	567,125	214,382	352,743	0.30%	95	568,109
August	964,428	1,265,686	(301,258)	265,867	100,502	165,365	0.30%	88	266,939
September	756,964	1,097,595	(340,631)	(74,764)	-	(74,764)	0.29%	40	(73,652)
October	799,405	932,089	(132,684)	(207,448)	-	(207,448)	0.33%	(21)	(206,357)
November	721,292	919,663	(198,371)	(405,819)	-	(405,819)	0.45%	(78)	(404,806)
December	728,640	1,271,189	(542,549)	(948,368)	-	(948,368)	0.51%	(172)	(947,527)
Total								\$841	

1/ Carrying charges calculated based on the three-month Treasury Bill rate.

2/ Based on prior month ending balance.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Thunder Spirit Wind
Actual 2015 and 2016

	Total 12/15 - 12/16	Actual											
		Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016
Rate Base													
Plant Balance													
344 - Generators	\$145,804,561	\$148,024,755	\$148,052,002	\$142,037,768	\$141,853,628	\$141,863,766	\$141,877,096	\$141,897,941	\$141,905,780	\$141,757,380	\$141,783,179	\$141,784,803	\$141,452,104
346 - Misc. Equipment	16,855	16,822	16,833	16,833	16,833	16,833	16,833	16,833	16,833	16,833	16,833	16,833	62,651
350 - Land Rights	0	0	0	0	6,089	0	0	0	0	0	0	0	0
353 - Station Equipment	0	0	0	0	4,999,625	4,999,625	4,999,625	4,999,625	4,999,625	4,999,625	4,999,625	4,999,625	4,999,625
355 - Poles & Fixtures	0	0	0	0	190,493	293,111	293,111	293,111	293,111	293,111	293,111	293,111	293,111
356 - OH Conductors	0	0	0	0	250,412	153,883	153,883	153,883	153,883	153,883	153,883	153,883	153,883
Total Plant Balance	\$145,821,416	\$148,041,577	\$148,068,835	\$142,054,601	\$147,317,080	\$147,327,218	\$147,340,548	\$147,361,393	\$147,369,232	\$147,220,832	\$147,246,631	\$147,294,073	\$146,961,374
Accumulated Reserve													
344 - Generators	\$0	\$485,055	\$979,084	\$1,472,591	\$1,946,050	\$2,418,895	\$2,891,774	\$3,364,698	\$3,837,692	\$4,310,711	\$4,783,235	\$5,255,846	\$5,728,462
346 - Misc. Equipment	70	126	182	238	295	351	407	463	519	575	631	26,055	26,263
350 - Land Rights	0	0	0	0	0	7	7	7	7	7	7	7	7
353 - Station Equipment	0	0	0	0	0	8,041	16,082	24,123	32,164	40,205	48,246	56,287	62,870
355 - Poles & Fixtures	0	0	0	0	0	389	987	1,586	2,184	2,782	3,381	3,979	4,475
356 - OH Conductors	0	0	0	0	0	309	499	688	878	1,068	1,258	1,448	1,644
Total Accumulated Reserve	\$70	\$485,181	\$979,266	\$1,472,829	\$1,946,345	\$2,427,992	\$2,909,756	\$3,391,565	\$3,873,444	\$4,355,348	\$4,836,758	\$5,343,622	\$5,823,721
Net Plant in Service													
	\$145,821,346	\$147,556,396	\$147,089,569	\$140,581,772	\$145,370,735	\$144,899,226	\$144,430,792	\$143,969,828	\$143,495,788	\$142,865,484	\$142,409,873	\$141,950,451	\$141,137,653
Accum Def Income Taxes 1/ PTC Carryforward 2/													
	\$2,686,134	\$4,152,526	\$5,618,918	\$7,085,310	\$8,551,702	\$10,018,094	\$11,484,486	\$12,950,878	\$14,417,270	\$15,883,662	\$17,350,054	\$18,816,446	\$20,282,835
	177,613	675,809	1,232,410	1,774,202	2,371,757	2,878,548	3,441,578	3,890,685	4,381,697	4,985,204	5,555,012	6,166,758	6,970,794
Total Plant in Service	\$143,312,825	\$144,079,679	\$142,703,061	\$135,270,664	\$139,190,790	\$137,759,680	\$136,387,884	\$134,909,635	\$133,460,215	\$131,967,026	\$130,614,831	\$129,300,763	\$127,825,612
Average Rate Base	\$135,906,359												
Return on Rate Base 3/	\$10,691,978	\$867,281	\$871,922	\$863,591	\$818,613	\$842,336	\$833,676	\$825,374	\$816,428	\$807,657	\$798,620	\$790,437	\$782,485
Expenses													
Operating Expenses													
O&M 4/	\$1,462,132	\$0	\$3,646	\$2,641	\$200,239	\$5,808	\$202,178	\$106,939	\$81,663	\$117,046	\$103,170	\$103,471	\$431,415
Depreciation	5,797,979	0	485,111	493,781	493,563	473,516	481,647	481,764	481,809	481,904	481,410	481,496	480,099
Taxes Other Than Income 5/	189,333	0	15,528	15,528	15,529	15,528	15,528	15,528	15,528	15,528	15,529	15,528	18,522
Total Expenses	\$7,449,444	\$0	\$504,285	\$511,950	\$709,331	\$494,852	\$699,353	\$604,232	\$579,000	\$614,453	\$600,603	\$600,409	\$930,036
Income before Taxes (EBIT)	(\$7,449,444)	\$0	(\$504,285)	(\$709,331)	(\$494,852)	(\$699,353)	(\$604,232)	(\$579,000)	(\$614,453)	(\$600,603)	(\$600,409)	(\$600,940)	(\$930,036)
Interest Expense	3,465,839	281,132	282,636	279,936	265,356	273,046	270,239	267,548	264,648	261,804	258,875	256,223	253,645
Taxable income	(\$10,915,283)	(\$281,132)	(\$786,921)	(\$791,886)	(\$974,687)	(\$767,898)	(\$969,592)	(\$871,780)	(\$843,648)	(\$876,257)	(\$859,478)	(\$856,632)	(\$854,585)
Income Taxes 6/	(\$4,126,141)	(\$106,272)	(\$297,468)	(\$299,345)	(\$368,446)	(\$290,277)	(\$366,520)	(\$329,546)	(\$318,912)	(\$331,238)	(\$324,896)	(\$323,820)	(\$446,355)
Less: Production Tax Credit 2/	6,953,039	159,858	498,196	556,601	541,792	597,555	506,791	563,030	449,107	491,012	603,507	569,808	804,036
Net Income Taxes	(\$11,079,180)	(\$266,130)	(\$795,664)	(\$855,946)	(\$910,238)	(\$887,832)	(\$873,311)	(\$892,576)	(\$768,019)	(\$822,250)	(\$928,403)	(\$893,628)	(\$1,250,391)
Operating Income	\$3,629,736	\$266,130	\$291,379	\$343,996	\$200,907	\$392,980	\$173,958	\$288,344	\$189,019	\$207,797	\$327,800	\$293,219	\$333,852
Revenue Requirement	\$11,354,359	\$966,504	\$933,371	\$835,382	\$993,120	\$722,455	\$1,060,665	\$863,413	\$1,008,720	\$964,428	\$756,964	\$799,405	\$721,292
Revenue Collected	\$12,302,727	\$0	\$325,603	\$1,196,788	\$1,231,244	\$1,015,625	\$937,757	\$1,057,772	\$1,051,716	\$1,265,686	\$1,097,595	\$932,089	\$919,663
(Over)/Under Collection	(\$948,368)	\$966,504	\$607,768	(\$361,406)	(\$238,124)	(\$293,170)	\$122,908	(\$194,359)	(\$42,996)	(\$301,258)	(\$340,631)	(\$132,684)	(\$198,371)

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Thunder Spirit Wind
Actual 2015 and 2016

Factor 271 - Integrated Peak and Energy 69.108211% 69.014868%

1/ Monthly Deferred Income Tax activity is 1/12 of change between December 2015 and December 2016.

2/ Production Tax Credit:	Kwh Generated	10,057,218	31,385,570	35,065,000	34,132,000	37,645,000	31,927,000	35,470,000	28,293,000	30,933,000	38,020,000	35,897,000	38,539,000	50,653,000
	PTC/Kwh	\$0.023												

3/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	42.673%	5.245%	2.238%
Short Term Debt	4.840%	2.402%	0.116%
Preferred Equity	1.084%	4.579%	0.050%
Common Equity	51.403%	9.450%	4.858%
	100.000%		7.262%

2.354%

4/ Responsibility # 859: Thunder Spirit Wind.

5/ ND Wind Generation Tax allocated to ND on Factor 271.

6/ Tax Rate	37.8015%	(Federal Tax Rate = 35%, Tax Rate = 4.31%)
1- tax rate	62.1985%	

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Balancing Account and Carry Charge Calculation**

	Revenue Requirement	Revenue Collected	(Over)/Under Collection	Cumulative (Over)/Under	Carrying Charge Calculation			Grand Total (Over)/Under Collection
					Deferred Income Tax	Net Balance	Rate 1/ Carrying Charge 2/	
2015								
August				(\$193,932)	\$0	(\$193,932)		(\$193,932)
September	\$293,173	\$183,317	\$109,856	(84,076)	-	(84,076)	0.02%	(\$3)
October	370,136	164,616	205,520	121,444	45,908	75,536	0.02%	(1)
November	418,814	146,974	271,840	393,284	148,667	244,617	0.12%	8
December	570,851	206,368	364,483	757,767	286,447	471,320	0.23%	47
Total								\$51
2016								
January	\$1,194,551	\$228,764	\$965,787	\$1,723,554	\$651,529	\$1,072,025	0.26%	\$102
February	1,813,338	239,421	1,573,917	3,297,471	1,246,494	2,050,977	0.31%	277
March	1,534,619	503,230	1,031,389	4,328,860	1,636,374	2,692,486	0.29%	496
April	1,610,311	449,820	1,160,491	5,489,351	2,075,057	3,414,294	0.23%	516
May	1,336,548	414,227	922,321	6,411,672	2,423,708	3,987,964	0.27%	768
June	(3,544,447)	467,081	(4,011,528)	2,400,144	907,290	1,492,854	0.27%	897
July	484,481	465,323	19,158	2,419,302	914,532	1,504,770	0.30%	373
August	741,772	560,630	181,142	2,600,444	983,007	1,617,437	0.30%	376
September	1,209,118	484,517	724,601	3,325,045	1,256,917	2,068,128	0.29%	391
October	664,339	409,913	254,426	3,579,471	1,353,094	2,226,377	0.33%	569
November	759,653	404,765	354,888	3,934,359	1,487,247	2,447,112	0.45%	835
December	737,314	563,230	174,084	4,108,443	1,553,053	2,555,390	0.51%	1,040
Total								\$6,640

1/ Carrying charges calculated based on the three-month Treasury Bill rate.

2/ Based on prior month ending balance.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Adjustment - Large Transmission Projects - Little Muddy & Kenmare to Lignite
Revenue Requirement
Actual 2015 and 2016

	Total 9/15 - 12/16	Actual			
		Sept 2015	Oct 2015	Nov 2015	Dec 2015
Rate Base					
Plant Balance					
Land		\$0	\$31,860	\$31,860	\$171,812
Station Equipment		0	4,633,669	5,909,223	11,156,048
Poles & Fixtures		0	5,142,982	5,142,982	15,193,768
OH Conductors		0	0	0	493,052
Total Plant Balance		\$0	\$9,808,511	\$11,084,065	\$27,014,680
Accumulated Reserve					
Land		\$0	\$0	\$0	\$0
Station Equipment		0	72,715	80,167	204,829
Poles & Fixtures		0	0	0	0
OH Conductors		0	0	0	0
Total Accumulated Reserve		\$0	\$72,715	\$80,167	\$204,829
Net Plant in Service		\$0	\$9,735,796	\$11,003,898	\$26,809,851
Accum Def Income Taxes 1/				\$473,513	\$710,270
Total Plant in Service		\$0	\$9,735,796	\$10,530,385	\$26,099,581
Average Rate Base	\$23,251,359				
Return on Rate Base 2/	\$2,251,353	\$0	\$58,918	\$63,726	\$157,946
Expenses					
Operating Expenses					
O&M 3/	\$6,361,213	\$293,173	\$279,565	\$321,461	\$322,419
Depreciation	657,259	0	7,452	7,452	25,611
Total Expenses	\$7,018,472	\$293,173	\$287,017	\$328,913	\$348,030
Income before Taxes (EBIT)	(\$7,018,472)	(\$293,173)	(\$287,017)	(\$328,913)	(\$348,030)
Interest Expense	729,782	0	19,098	20,657	51,199
Taxable income	(\$7,748,254)	(\$293,173)	(\$306,115)	(\$349,570)	(\$399,229)
Income Taxes 4/	(\$2,928,955)	(\$110,824)	(\$115,716)	(\$132,143)	(\$150,915)
Net Income Taxes	(\$2,928,955)	(\$110,824)	(\$115,716)	(\$132,143)	(\$150,915)
Operating Income	(\$4,089,517)	(\$182,349)	(\$171,301)	(\$196,770)	(\$197,115)
Revenue Requirement	\$10,194,571	\$293,173	\$370,136	\$418,814	\$570,851
Revenue Collected	\$5,892,196	\$183,317	\$164,616	\$146,974	\$206,368
(Over)/Under Collection	\$4,302,375	\$109,856	\$205,520	\$271,840	\$364,483

Factor 15 - Integrated Sys 12 Mo. Peak Demand 72.196505%

1/ Monthly Deferred Income Tax activity is 1/12 of change between December 2015 and December 2016.

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	42.673%	5.245%	2.238%
Short Term Debt	4.840%	2.402%	0.116%
Preferred Equity	1.084%	4.579%	0.050%
Common Equity	51.403%	9.450%	4.858%
	100.000%		7.262%

3/ Net (Revenue)/Expense from: SPP NITS, MISO activity, Facility Sharing Agreements, etc.

4/ Tax Rate 37.8015% (Federal Tax Rate = 35%, Tax Rate = 4.31%)
1- tax rate 62.1985%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Adjustment - Large Transmission Projects - Little Muddy & Kenmare to Lignite
Revenue Requirement
Actual 2015 and 2016

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
Rate Base												
Plant Balance												
Land	\$171,812	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708	\$225,708
Station Equipment	11,076,056	11,076,056	11,076,056	11,079,111	11,079,111	11,298,348	11,298,992	11,298,992	11,298,992	11,297,902	11,302,742	11,302,479
Poles & Fixtures	16,376,574	16,511,410	16,589,520	16,590,314	16,599,294	16,599,145	16,599,391	16,600,380	16,600,857	16,601,609	16,596,599	10,712,948
OH Conductors	525,678	560,007	579,355	579,380	582,974	582,439	582,502	582,848	583,107	583,582	586,156	6,468,989
Total Plant Balance	\$28,150,120	\$28,373,181	\$28,470,639	\$28,474,513	\$28,487,087	\$28,705,640	\$28,706,593	\$28,707,928	\$28,708,664	\$28,708,801	\$28,711,205	\$28,710,124
Accumulated Reserve												
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Station Equipment	222,771	240,585	258,399	276,213	294,032	311,851	330,022	348,195	364,575	382,748	400,918	415,800
Poles & Fixtures	31,021	64,456	98,167	132,037	165,909	199,799	233,689	267,580	301,472	335,365	369,260	397,336
OH Conductors	608	1,256	1,947	2,662	3,376	4,095	4,814	5,532	6,251	6,970	7,690	8,500
Total Accumulated Reserve	\$254,400	\$306,297	\$358,513	\$410,912	\$463,317	\$515,745	\$568,525	\$621,307	\$672,298	\$725,083	\$777,868	\$821,636
Net Plant in Service	\$27,895,720	\$28,066,884	\$28,112,126	\$28,063,601	\$28,023,770	\$28,189,895	\$28,138,068	\$28,086,621	\$28,036,366	\$27,983,718	\$27,933,337	\$27,888,488
Accum Def Income Taxes 1/	\$738,980	\$767,690	\$796,400	\$825,110	\$853,820	\$882,530	\$911,240	\$939,950	\$968,660	\$997,370	\$1,026,080	\$1,054,789
Total Plant in Service	\$27,156,740	\$27,299,194	\$27,315,726	\$27,238,491	\$27,169,950	\$27,307,365	\$27,226,828	\$27,146,671	\$27,067,706	\$26,986,348	\$26,907,257	\$26,833,699
Average Rate Base												
Return on Rate Base 2/	\$164,344	\$165,206	\$165,306	\$164,838	\$164,423	\$165,255	\$164,768	\$164,283	\$163,805	\$163,312	\$162,834	\$162,389
Expenses												
Operating Expenses												
O&M 3/	913,131	1,528,376	1,249,198	1,325,366	1,052,184	(3,830,009)	199,254	457,228	927,038	381,161	477,150	464,518
Depreciation	49,571	51,897	52,216	52,399	52,405	52,428	52,780	52,782	50,991	52,785	52,785	43,705
Total Expenses	\$962,702	\$1,580,273	\$1,301,414	\$1,377,765	\$1,104,589	(\$3,777,581)	\$252,034	\$510,010	\$978,029	\$433,946	\$529,935	\$508,223
Income before Taxes (EBIT)	(\$962,702)	(\$1,580,273)	(\$1,301,414)	(\$1,377,765)	(\$1,104,589)	\$3,777,581	(\$252,034)	(\$510,010)	(\$978,029)	(\$433,946)	(\$529,935)	(\$508,223)
Interest Expense	53,272	53,552	53,584	53,433	53,298	53,568	53,410	53,253	53,098	52,938	52,783	52,639
Taxable income	(\$1,015,974)	(\$1,633,825)	(\$1,354,998)	(\$1,431,198)	(\$1,157,887)	\$3,724,013	(\$305,444)	(\$563,263)	(\$1,031,127)	(\$486,884)	(\$582,718)	(\$560,862)
Income Taxes 4/	(\$384,053)	(\$617,610)	(\$512,210)	(\$541,014)	(\$437,699)	\$1,407,733	(\$115,462)	(\$212,922)	(\$389,781)	(\$184,049)	(\$220,276)	(\$212,014)
Net Income Taxes	(\$384,053)	(\$617,610)	(\$512,210)	(\$541,014)	(\$437,699)	\$1,407,733	(\$115,462)	(\$212,922)	(\$389,781)	(\$184,049)	(\$220,276)	(\$212,014)
Operating Income	(\$578,649)	(\$962,663)	(\$789,204)	(\$836,751)	(\$666,890)	\$2,369,848	(\$136,572)	(\$297,088)	(\$588,248)	(\$249,897)	(\$309,659)	(\$296,209)
Revenue Requirement	\$1,194,551	\$1,813,338	\$1,534,619	\$1,610,311	\$1,336,548	(\$3,544,447)	\$484,481	\$741,772	\$1,209,118	\$664,339	\$759,653	\$737,314
Revenue Collected	\$228,764	\$239,421	\$503,230	\$449,820	\$414,227	\$467,081	\$465,323	\$560,630	\$484,517	\$409,913	\$404,765	\$563,230
(Over)/Under Collection	\$965,787	\$1,573,917	\$1,031,389	\$1,160,491	\$922,321	(\$4,011,528)	\$19,158	\$181,142	\$724,601	\$254,426	\$354,888	\$174,084

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Environmental Cost Recovery Rider
Balancing Account and Carry Charge Calculation**

	MATS Revenue Requirement	AQCS Revenue Requirement	Revenue Collected	(Over)/Under Collection	Cumulative (Over)/Under	Carrying Charge Calculation				Grand Total (Over)/Under Collection
						Deferred Income Tax	Net Balance	Rate 1/	Carrying Charge 2/	
2015										
February					\$750,370	\$283,651	\$466,719			\$750,370
March	\$0	\$537,037	\$825,993	(\$288,956)	461,414	174,421	286,993	0.03%	\$12	461,426
April	0	565,354	658,818	(93,464)	367,950	139,091	228,859	0.02%	5	367,967
May	0	586,821	536,954	49,867	417,817	157,941	259,876	0.02%	4	417,838
June	0	594,550	613,648	(19,098)	398,719	150,722	247,997	0.02%	4	398,744
July	0	598,511	654,159	(55,648)	343,071	129,686	213,385	0.03%	6	343,102
August	0	600,688	607,815	(7,127)	335,944	126,992	208,952	0.07%	12	335,987
September	0	611,024	574,782	36,242	372,186	140,692	231,494	0.02%	3	372,232
October	0	611,476	515,811	95,665	467,851	176,855	290,996	0.02%	4	467,901
November	0	613,195	460,868	152,327	620,178	234,437	385,741	0.12%	29	620,257
December	108,221	518,932	647,491	(20,338)	599,840	226,749	373,091	0.23%	74	599,993
Total									\$153	
2016										
January	\$132,894	\$635,834	\$718,220	\$50,508	\$650,348	\$245,841	\$404,507	0.26%	\$81	\$650,582
February	132,714	636,734	633,611	135,837	786,185	297,190	488,995	0.31%	104	786,523
March	132,109	634,613	628,045	138,677	924,862	349,612	575,250	0.29%	118	925,318
April	130,709	667,096	517,181	280,624	1,205,486	455,692	749,794	0.23%	110	1,206,052
May	139,479	638,167	475,340	302,306	1,507,792	569,968	937,824	0.27%	169	1,508,527
June	143,304	637,369	535,866	244,807	1,752,599	662,509	1,090,090	0.27%	211	1,753,545
July	143,757	646,881	534,828	255,810	2,008,409	759,209	1,249,200	0.30%	273	2,009,628
August	143,248	625,999	644,655	124,592	2,133,001	806,306	1,326,695	0.30%	312	2,134,532
September	142,643	635,478	555,878	222,243	2,355,244	890,318	1,464,926	0.29%	321	2,357,096
October	142,003	634,568	468,986	307,585	2,662,829	1,006,589	1,656,240	0.33%	403	2,665,084
November	141,355	629,856	463,675	307,536	2,970,365	1,122,843	1,847,522	0.45%	621	2,973,241
December	152,465	582,447	648,667	86,245	3,056,610	1,155,444	1,901,166	0.51%	785	3,060,271
Total									\$3,508	

1/ Carrying charges calculated based on the three-month Treasury Bill rate.

2/ Based on prior month ending balance.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Environmental Cost Recovery Rider Adjustment - Lewis & Clark MATS
Revenue Requirement - Lewis & Clark MATS
Actual 2015 and 2016

	Total 12/15 - 12/16													
		Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
Rate Base														
Plant Balance														
312 - Boiler		\$10,810,320	\$10,730,942	\$10,766,016	\$10,766,868	\$10,690,693	\$11,625,752	\$11,839,969	\$11,896,683	\$11,896,865	\$11,901,203	\$11,901,203	\$11,901,239	\$11,901,239
Total Plant Balance		\$10,810,320	\$10,730,942	\$10,766,016	\$10,766,868	\$10,690,693	\$11,625,752	\$11,839,969	\$11,896,683	\$11,896,865	\$11,901,203	\$11,901,203	\$11,901,239	\$11,901,239
Accumulated Reserve														
312 - Boiler		\$0	\$26,108	\$52,377	\$78,575	\$104,774	\$130,788	\$159,077	\$187,888	\$216,836	\$245,785	\$274,745	\$303,705	\$385,210
Total Accumulated Reserve		\$0	\$26,108	\$52,377	\$78,575	\$104,774	\$130,788	\$159,077	\$187,888	\$216,836	\$245,785	\$274,745	\$303,705	\$385,210
Net Plant in Service		\$10,810,320	\$10,704,834	\$10,713,639	\$10,688,293	\$10,585,919	\$11,494,964	\$11,680,892	\$11,708,795	\$11,680,029	\$11,655,418	\$11,626,458	\$11,597,534	\$11,516,029
Accum Def Income Taxes 1/		\$241,153	\$275,653	\$310,153	\$344,653	\$379,153	\$413,653	\$448,153	\$482,653	\$517,153	\$551,653	\$586,153	\$620,653	\$655,147
Total Plant in Service		\$10,569,167	\$10,429,181	\$10,403,486	\$10,343,640	\$10,206,766	\$11,081,311	\$11,232,739	\$11,226,142	\$11,162,876	\$11,103,765	\$11,040,305	\$10,976,881	\$10,860,882
Average Rate Base	\$10,818,242													
Return on Rate Base 2/	\$1,023,837	\$76,944	\$75,924	\$75,737	\$75,302	\$74,305	\$80,672	\$81,774	\$81,726	\$81,266	\$80,835	\$80,373	\$79,912	\$79,067
Expenses														
Operating Expenses														
O&M 3/	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	344,885	0	26,108	26,191	26,198	26,199	26,014	28,289	28,811	28,948	28,949	28,960	28,960	41,258
Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	\$344,885	\$0	\$26,108	\$26,191	\$26,198	\$26,199	\$26,014	\$28,289	\$28,811	\$28,948	\$28,949	\$28,960	\$28,960	\$41,258
Income before Taxes (EBIT)	(\$344,885)	\$0	(\$26,108)	(\$26,191)	(\$26,198)	(\$26,199)	(\$26,014)	(\$28,289)	(\$28,811)	(\$28,948)	(\$28,949)	(\$28,960)	(\$28,960)	(\$41,258)
Interest Expense	339,052	25,481	25,143	25,081	24,937	24,607	26,715	27,080	27,064	26,912	26,769	26,616	26,463	26,184
Taxable income	(\$683,937)	(\$25,481)	(\$51,251)	(\$51,272)	(\$51,135)	(\$50,806)	(\$52,729)	(\$55,369)	(\$55,875)	(\$55,860)	(\$55,718)	(\$55,576)	(\$55,423)	(\$67,442)
Income Taxes 4/	(\$258,539)	(\$9,632)	(\$19,374)	(\$19,382)	(\$19,330)	(\$19,205)	(\$19,932)	(\$20,930)	(\$21,122)	(\$21,116)	(\$21,062)	(\$21,009)	(\$20,951)	(\$25,494)
Net Income Taxes	(\$258,539)	(\$9,632)	(\$19,374)	(\$19,382)	(\$19,330)	(\$19,205)	(\$19,932)	(\$20,930)	(\$21,122)	(\$21,116)	(\$21,062)	(\$21,009)	(\$20,951)	(\$25,494)
Operating Income	(\$86,346)	\$9,632	(\$6,734)	(\$6,809)	(\$6,868)	(\$6,994)	(\$6,082)	(\$7,359)	(\$7,689)	(\$7,832)	(\$7,887)	(\$7,951)	(\$8,009)	(\$15,764)
Revenue Requirement	\$1,784,901	\$108,221	\$132,894	\$132,714	\$132,109	\$130,709	\$139,479	\$143,304	\$143,757	\$143,248	\$142,643	\$142,003	\$141,355	\$152,465
Revenue Collected	\$0													
(Over)/Under Collection	\$1,784,901	\$108,221	\$132,894	\$132,714	\$132,109	\$130,709	\$139,479	\$143,304	\$143,757	\$143,248	\$142,643	\$142,003	\$141,355	\$152,465

Factor 15 - Integrated Sys. 12-Mo. Peak Demand 72.196505% 71.870735%

1/ Monthly Deferred Income Tax activity is 1/12 of change between December 2015 and December 2016.

2/ Capital structure authorized in Case No. PU-10-124

	Ratio	Cost	
Long Term Debt	41.084%	6.845%	2.812%
Short Term Debt	3.199%	2.535%	0.081% 2.893%
Preferred Equity	2.380%	4.590%	0.109%
Common Equity	53.337%	10.750%	5.734%
	100.000%		8.736%

3/ Cost Center: #820000 Lewis & Clark

4/ Tax Rate 37.8015% (Federal Tax Rate = 35%, Tax Rate = 4.31%)
 1-tax rate 62.1985%

Montana-Dakota Utilities Co.
 Electric Utility - North Dakota
 Environmental Cost Recovery Rider Adjustment - Big Stone AQCS
 Revenue Requirement - Big Stone AQCS
 Actual 2015 and 2016

	Total 3/15 - 12/16	Actual									
		Mar 2015	Apr 2015	May 2015	June 2015	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015
Rate Base											
Plant Balance											
312 - Boiler - No AFUDC		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,640,137
312 - Boiler - ND AFUDC Only		0	0	0	0	0	0	0	0	0	220,487
CWIP		52,448,716	55,214,287	57,310,860	58,065,708	58,452,664	58,665,104	59,674,698	59,718,885	59,886,553	0
Total Plant Balance		\$52,448,716	\$55,214,287	\$57,310,860	\$58,065,708	\$58,452,664	\$58,665,104	\$59,674,698	\$59,718,885	\$59,886,553	\$59,860,624
Accumulated Reserve											
312 - Boiler - No AFUDC		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 - Boiler - ND AFUDC Only		0	0	0	0	0	0	0	0	0	0
RWIP		0	0	0	0	0	0	0	0	0	0
Total Accumulated Reserve		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Plant in Service		\$52,448,716	\$55,214,287	\$57,310,860	\$58,065,708	\$58,452,664	\$58,665,104	\$59,674,698	\$59,718,885	\$59,886,553	\$59,860,624
Accum Def Income Taxes 1/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,180,052
Total Plant in Service		\$52,448,716	\$55,214,287	\$57,310,860	\$58,065,708	\$58,452,664	\$58,665,104	\$59,674,698	\$59,718,885	\$59,886,553	\$50,680,572
Average Rate Base	\$52,811,280										
Return on Rate Base 2/	\$8,458,254	\$381,827	\$401,960	\$417,223	\$422,718	\$425,535	\$427,082	\$434,432	\$434,753	\$435,974	\$368,955
Expenses											
Operating Expenses											
O&M 3/	\$107,757	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	1,438,402	0	0	0	0	0	0	0	0	0	0
Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	\$1,546,159	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income before Taxes (EBIT)	(\$1,546,159)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	2,801,022	126,445	133,112	138,167	139,987	140,920	141,432	143,866	143,972	144,376	122,182
Taxable income	(\$4,347,181)	(\$126,445)	(\$133,112)	(\$138,167)	(\$139,987)	(\$140,920)	(\$141,432)	(\$143,866)	(\$143,972)	(\$144,376)	(\$122,182)
Income Taxes 4/	(\$1,643,298)	(\$47,798)	(\$50,318)	(\$52,229)	(\$52,917)	(\$53,270)	(\$53,463)	(\$54,384)	(\$54,424)	(\$54,576)	(\$46,187)
Net Income Taxes	(\$1,643,298)	(\$47,798)	(\$50,318)	(\$52,229)	(\$52,917)	(\$53,270)	(\$53,463)	(\$54,384)	(\$54,424)	(\$54,576)	(\$46,187)
Operating Income	\$97,139	\$47,798	\$50,318	\$52,229	\$52,917	\$53,270	\$53,463	\$54,384	\$54,424	\$54,576	\$46,187
Revenue Requirement	\$13,442,630	\$537,037	\$565,354	\$586,821	\$594,550	\$598,511	\$600,688	\$611,024	\$611,476	\$613,195	\$518,932
Revenue Collected	\$0										
(Over)/Under Collection	\$13,442,630	\$537,037	\$565,354	\$586,821	\$594,550	\$598,511	\$600,688	\$611,024	\$611,476	\$613,195	\$518,932

Factor 15 - Integrated Sys. 12-Mo. Peak Demand 72.196505%

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2/ Capital structure authorized in Case No. PU-10-124

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Common Equity	53.337%	10.750%	5.734%
	100.000%		8.736%

3/ Responsibility #

4/ Tax Rate 37.8015% (Federal Tax Rate = 35%, Tax Rate = 4.31%)
 1- tax rate 62.1985%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Environmental Cost Recovery Rider Adjustment - Big Stone AQCS
Revenue Requirement - Big Stone AQCS
Actual 2015 and 2016

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
Rate Base												
Plant Balance												
312 - Boiler - No AFUDC	\$59,275,788	\$59,522,076	\$59,512,148	\$59,536,421	\$59,528,745	\$59,622,581	\$59,633,573	\$59,703,771	\$59,739,285	\$59,854,586	\$59,858,562	\$59,871,572
312 - Boiler - ND AFUDC Only	220,487	220,487	220,487	220,487	220,487	220,487	220,487	220,487	220,487	220,487	220,487	220,487
CWIP	0	0	0	0	0	0	0	0	0	0	0	0
Total Plant Balance	\$59,496,275	\$59,742,563	\$59,732,635	\$59,756,908	\$59,749,232	\$59,843,068	\$59,854,060	\$59,924,258	\$59,959,772	\$60,075,073	\$60,079,049	\$60,092,059
Accumulated Reserve												
312 - Boiler - No AFUDC	\$122,330	\$245,574	\$368,586	\$491,577	\$614,619	\$737,645	\$860,865	\$984,108	\$1,107,496	\$1,230,957	\$1,354,657	\$1,433,470
312 - Boiler - ND AFUDC Only	456	911	1,367	1,823	2,279	2,734	3,190	3,645	4,101	4,557	5,012	5,303
RWIP	0	0	0	0	0	0	0	0	0	0	0	0
Total Accumulated Reserve	\$122,786	\$246,485	\$369,953	\$493,400	\$616,898	\$740,379	\$864,055	\$987,753	\$1,111,597	\$1,235,514	\$1,359,669	\$1,438,773
Net Plant in Service	\$59,373,489	\$59,496,078	\$59,362,682	\$59,263,508	\$59,132,334	\$59,102,689	\$58,990,005	\$58,936,505	\$58,848,175	\$58,839,559	\$58,719,380	\$58,653,286
Accum Def Income Taxes 1/	\$9,267,577	\$9,355,102	\$9,442,627	\$9,530,152	\$9,617,677	\$9,705,202	\$9,792,727	\$9,880,252	\$9,967,777	\$10,055,302	\$10,142,827	\$10,230,357
Total Plant in Service	\$50,105,912	\$50,140,976	\$49,920,055	\$49,733,356	\$49,514,657	\$49,397,487	\$49,197,278	\$49,056,253	\$48,880,398	\$48,784,257	\$48,576,553	\$48,422,929
Average Rate Base												
Return on Rate Base 2/	\$364,771	\$365,026	\$363,418	\$362,059	\$360,467	\$359,614	\$358,156	\$357,130	\$355,849	\$355,149	\$353,637	\$352,519
Expenses												
Operating Expenses												
O&M 3/	\$0	\$0	\$0	\$34,417	\$7,674	\$8,093	\$19,460	\$0	\$11,136	\$11,137	\$8,313	\$7,527
Depreciation	122,786	123,328	123,468	123,447	123,498	123,481	123,676	123,698	123,844	123,917	124,155	79,104
Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	\$122,786	\$123,328	\$123,468	\$157,864	\$131,172	\$131,574	\$143,136	\$123,698	\$134,980	\$135,054	\$132,468	\$86,631
Income before Taxes (EBIT)	(\$122,786)	(\$123,328)	(\$123,468)	(\$157,864)	(\$131,172)	(\$131,574)	(\$143,136)	(\$123,698)	(\$134,980)	(\$135,054)	(\$132,468)	(\$86,631)
Interest Expense	120,797	120,882	120,349	119,899	119,372	119,089	118,606	118,266	117,842	117,611	117,110	116,740
Taxable income	(\$243,583)	(\$244,210)	(\$243,817)	(\$277,763)	(\$250,544)	(\$250,663)	(\$261,742)	(\$241,964)	(\$252,822)	(\$252,665)	(\$249,578)	(\$203,371)
Income Taxes 4/	(\$92,078)	(\$92,315)	(\$92,166)	(\$104,999)	(\$94,709)	(\$94,754)	(\$98,942)	(\$91,466)	(\$95,571)	(\$95,511)	(\$94,344)	(\$76,877)
Net Income Taxes	(\$92,078)	(\$92,315)	(\$92,166)	(\$104,999)	(\$94,709)	(\$94,754)	(\$98,942)	(\$91,466)	(\$95,571)	(\$95,511)	(\$94,344)	(\$76,877)
Operating Income	(\$30,708)	(\$31,013)	(\$31,302)	(\$52,865)	(\$36,463)	(\$36,820)	(\$44,194)	(\$32,232)	(\$39,409)	(\$39,543)	(\$38,124)	(\$9,754)
Revenue Requirement	\$635,834	\$636,734	\$634,613	\$667,096	\$638,167	\$637,369	\$646,881	\$625,999	\$635,478	\$634,568	\$629,856	\$582,447
Revenue Collected (Over)/Under Collection	\$635,834	\$636,734	\$634,613	\$667,096	\$638,167	\$637,369	\$646,881	\$625,999	\$635,478	\$634,568	\$629,856	\$582,447