MONTANA-DAKOTA
UTILITIES CO.
A Subsidiary of MDU Resources Group, Inc.

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

April 5, 2019

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

Re: Tax Cuts and Jobs Act Refund
Compliance Filing
Case No. PU-18-89

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits an original and seven (7) copies of its Tax Cuts and Jobs Act Refund Compliance Report in the above referenced case.

On January 10, 2018, the North Dakota Public Service Commission (Commission) issued an Order Initiating Investigation to determine the effect of the Tax Cuts and Jobs Act of 2017 (TCJA) on Montana-Dakota and other jurisdictional utilities in Case No. PU-17-490. On March 9, 2018, Montana-Dakota filed an Application to decrease the Company's electric service rates in North Dakota in the above referenced case. On September 26, 2018, the Commission approved a Settlement Agreement between Commission Staff and Montana-Dakota, with modification, that provided for reduced electric service rates to be effective December 1, 2018 and a Tax Act Refund for customers who were billed for electric service in 2018 up to the effective date of new rates, to be applied to customers' accounts no later than March 15, 2019. On November 20, 2018, the Commission approved the Company's compliance tariffs and rates and the Company's proposed refund plan. Under the authorized refund plan, the Company refunded 4.7 percent of the electric revenues collected from customers, excluding the revenue collected from the Company's four rate riders, for the period starting January 1, 2018 through November 30, 2018 and including interest at the three-month Treasury Bill rate.

As shown on Attachment A, page 1, a refund rate was determined for each respective rate class based on the rate class' January through November 2018 consumption. The final amount to be refunded to North Dakota electric customers was $7,919,552. The refund rates were then applied to each customer's January through November 2018 consumption to determine each customer's Tax Act bill credit.

32 PU-18-89 Filed 04/05/2019 Pages: 5
TCJA Refund Compliance Filing
Montana-Dakota Utilities Co.
Tamie Aberle

On March 15, 2019, a total of $7,916,112 was credited to active electric customer accounts or checks issued if a customer account was no longer active and the refund was $5.00 or greater in accordance with the refund plan approved on November 20, 2018. The remaining balance of $3,440 is the amount associated with inactive electric customer accounts where the refund was less than $5.00 and the difference due to rounding. This amount will be applied to the Company's Deferred Fuel Cost Account in compliance with the authorized refund plan. A breakdown of the refund by rate class is shown on Attachment B.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,

Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: K. Lieptiz

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Estimated Tax Act Refund by Rate Class
Case No. PU-18-89

	Net Revenue	Refund 1/	Interest 2/	Total Refund	YTD 2018 Kwh 3/	Refund Rate per Kwh
Residential	$66,601,134	$3,130,253	$46,846	$3,177,099	714,562,646	$0.00445
Small General	10,052,643	472,474	7,071	479,545	91,443,659	$0.00524
General	84,620,866	3,977,181	59,520	4,036,701	1,075,894,067	$0.00375
Municipal Lighting	1,329,383	62,481	935	63,416	17,272,939	$0.00367
Municipal Pumping	2,836,534	133,317	1,995	135,312	43,573,403	$0.00311
Outdoor Lighting	576,034	27,074	405	27,479	6,038,744	$0.00455
Total North Dakota	$166,016,594	$7,802,780	$116,772	$7,919,552	1,948,785,458	

1/ Refund Factor = 4.7%
2/ Interest allocated to classes based on each class' percent of Total Net Revenue
3/ Year to date Kwh through November 2018

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Calculation of Interest on 2018 Tax Refund Amount
Case No. PU-18-89

	Net Revenue	Beginning Refund Balance	Refund 1/	Interest on Refund Balance 2/	Refund Balance
January	17,762,950	0	834,859	0	834,859
February	15,262,275	834,859	717,327	546	1,552,732
March	15,991,064	1,552,732	751,580	1,691	2,306,003
April	14,258,786	2,306,003	670,163	2,830	2,978,996
May	13,496,067	2,978,996	634,315	4,096	3,617,407
June	14,220,043	3,617,407	668,342	5,222	4,290,971
July	15,728,098	4,290,971	739,221	6,459	5,036,651
August	17,143,697	5,036,651	805,754	7,890	5,850,295
September	14,563,776	5,850,295	684,497	9,662	6,544,454
October	14,423,603	6,544,454	677,909	11,620	7,233,983
November	13,166,235	7,233,983	618,813	13,377	7,866,173
December		7,866,173		14,911	7,881,084
January		7,881,084		15,550	7,896,634
February		7,896,634		15,778	7,912,412
March		7,912,412		7,140	7,919,552
	166,016,594		7,802,780	116,772	

1/ Refund of 4.7% of net revenue collected.
2/ Interest applied to average monthly balance.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Summary of TCJA Refund Applied on March 15, 2019
Case No. PU-18-89

Rate Class	Total Amount to be Refunded	Refund via Bill Credit	Refund via Check	Total Amount Refunded	Amount due to Inactive Accts < $5 and Difference due to Rounding	Average Customers
Residential	$3,177,099	$2,999,387	$175,251	$3,174,638	$2,461	79,344
Small General	479,545	466,330	12,559	478,889	656	10,556
General	4,036,701	3,994,963	40,762	4,035,725	976	5,087
Municipal Lighting	63,416	63,898	11	63,909	(493)	619
Municipal Pumping	135,312	135,412	101	135,513	(201)	320
Outdoor Lighting	27,479	27,020	418	27,438	41	2,582
Total North Dakota	$7,919,552	$7,687,010	$229,102	$7,916,112	$3,440	98,508