



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

July 17, 2020

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

Re: Update to the Transmission Cost  
Adjustment Rate 59 Tariff  
Case No. PU-20-\_\_\_\_\_

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits for Commission approval the Company's Application to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company's Rate 59 tariff. Montana-Dakota requests approval of Transmission Cost Adjustment Rate 59 (9<sup>th</sup> Revised Sheet No. 43.1 of its electric service tariffs), provided herein as Exhibit 1, to be effective with service rendered on and after November 1, 2020.

The Company is requesting to update its TCA rates to reflect the projected charges for July 2020 through June 2021 assessed Montana-Dakota for transmission-related services provided by Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP), along with the projected revenues and/or credits received for that same period by Montana-Dakota for transmission-related services. In addition, the Company has included the projected revenue requirement associated with transmission capital projects approved in Case No. PU-19-285, as well as the projected revenue requirement associated with six proposed transmission capital projects. The projected net costs to be recovered through the TCA rates, proposed herein, are currently not being recovered through Montana-Dakota's North Dakota retail electric rates. The total projected net transmission-related costs are shown in the table below and represent an increase of approximately 68.5 percent from the net cost in current TCA rates (Case No. PU-19-285, Exhibit 2).

	Current Filing	Prior Filing	Variance
Net MISO/SPP Expense:	10,535,910	8,113,201	2,422,709
Transmission Projects - Approved:	2,260,417	1,539,964	720,453
Transmission Projects - Proposed:	1,078,459	0	1,078,459
Under/(Over) Recovery Balance:	1,648,161	(440,274)	2,088,984
	<b>\$15,522,947</b>	<b>\$9,212,891</b>	<b>\$6,310,056</b>

A residential customer using 894 Kwh per month would see an increase of \$3.35 under the proposed TCA rate or an increase of \$40.20 annually. The proposed TCA rates are shown in the table below, along with the change from the current TCA rates implemented October 28, 2019:

		Proposed Rate/Kwh	Current Rate/Kwh	Change/Kwh
Residential & Small General	(Rates 10, 13, 16, 20, 25 & 40)	\$0.00849	\$0.00474	\$0.00375
Large General & Contracts	(Rates 30, 31, 32, 38, & 48, Contracts)	\$0.00678	\$0.00390	\$0.00288
Lighting	(Rates 41 & 52)	\$0.00323	\$0.00234	\$0.00089

Please refer all inquiries regarding this filing to:

Travis R. Jacobson  
 Director of Regulatory Affairs  
 Montana-Dakota Utilities Co.  
 400 North Fourth Street  
 Bismarck, ND 58501  
[Travis.Jacobson@mdu.com](mailto:Travis.Jacobson@mdu.com)

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Karl Liepitz  
 Assistant General Counsel  
 MDU Resources Group, Inc.  
 P.O. Box 5650  
 Bismarck, ND 58506-5650  
[Karl.Liepitz@MDUResources.com](mailto:Karl.Liepitz@MDUResources.com)

Montana-Dakota will separately submit a check for \$10,000 in accordance with North Dakota Century Code §49-05-04.3 noting the case number assigned and respectfully requests the Commission reduce the required \$100,000 filing fee pursuant to North Dakota Century Code §49-05-04.3.2.d which states the North Dakota Public Service Commission may waive or reduce the fee.

Please contact me at (701) 222-7855 or at [Travis.Jacobson@mdu.com](mailto:Travis.Jacobson@mdu.com) with any questions regarding this filing.

Sincerely,

*/s/ Travis R. Jacobson*

Travis R. Jacobson  
Director of Regulatory Affairs

Attachments

cc: Karl Liepitz  
Garret Senger

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of )  
MONTANA-DAKOTA UTILITIES CO. for )  
Approval its Annual Update to Transmission ) Case No. PU-20-\_\_\_\_  
Cost Adjustment Rate 59 )  
)

**I. Summary of Application**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits this Application for approval to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company’s Rate 59 tariff to reflect projected transmission-related costs, revenues, and credits through June 2021, and the projected revenue requirement for transmission investments being placed into service in 2020 and proposed to be recovered through the TCA mechanism. The Company requests approval of Transmission Cost Adjustment Rate 59 (9<sup>th</sup> Revised Sheet No. 43.1) to be effective with service rendered on and after November 1, 2020. In support of this Application, Montana-Dakota is providing the following exhibits:

- Exhibit 1 – Transmission Cost Adjustment Rate 59 9<sup>th</sup> Revised Sheet No. 43.1
- Exhibit 2 – Transmission Cost Adjustment Proposed Rates
- Exhibit 3 – Projected Summary of Revenue and Expenses, July 2020 – June 2021.
- Exhibit 4 – Projected 2020 and 2021 Revenue Requirement Schedules for Transmission Related Capital Projects
- Exhibit 5 – Transmission Cost Adjustment Balancing Account and Carrying Charge Calculation
- Exhibit 6 – Projected Revenue and Expenses by Schedule
- Exhibit 7 – Customer Notice of Filing

## **II. Description of Applicant**

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under NDCC Title 49. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 93,200 customers in North Dakota as of May 31, 2020.

## **III. Background of Transmission Cost Adjustment Rate 59**

On October 11, 2011, Montana-Dakota filed a Transmission Cost Adjustment Rate 59 tariff and proposed TCA rates in Case Nos. PU-11-672 and PU-11-681, pursuant to NDCC §49-05-04.3, for the recovery of the North Dakota allocation of transmission related expenses assessed by the Midcontinent Independent System Operator (MISO), Western Area Power Administration (WAPA), and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates. On May 16, 2012, the Commission approved Montana-Dakota's Transmission Cost Adjustment Rate 59 tariff. The first TCA rates were implemented effective with service rendered on and after June 1, 2012.

The Company's currently authorized TCA rates reflect the projected 2020 net transmission-related expenses and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates as

authorized in Case No. PU-19-285 and implemented with service rendered on and after October 28, 2019.

#### **IV. Calculation of the Proposed TCA Rates**

The following exhibits are included herein in support of the Company's proposed TCA rates and in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff:

- *Exhibit 2* shows the proposed TCA rates, along with the allocation of the total net projected expenses to each of the respective rate classes. The total projected cost to be recovered through the proposed TCA rates is \$15,522,947 which is comprised of July 2020 – June 2021 net projected transmission costs of \$10,535,910, the projected revenue requirement of \$3,338,876 related to transmission investments approved in the Company's most recent filing as well as six projects being placed into service in 2020, along with an under-recovered balance of the Company's current costs of \$1,648,161. The total costs are allocated to the respective rate classes based on the Company's transmission allocation factor (Demand Factor No. 2).

Allocated costs are then divided by the estimated billing determinants to derive the transmission revenue requirement rates. The Projected TCA revenue requirement, including the transmission investment revenue requirement, of \$15,522,947 reflects an increase of \$6,310,056 from the \$9,212,891 TCA revenue requirement authorized in Case No. PU-19-285, Exhibit 2. A comparison of the current revenue requirement to the prior year is shown below:

	Current Filing	Prior Filing	Variance
Net MISO/SPP Expense:	10,535,910	8,113,201	2,422,709
Transmission Projects - Approved:	2,260,417	1,539,964	720,453
Transmission Projects - Proposed:	1,078,459	0	1,078,459
Under/(Over) Recovery Balance:	1,648,161	(440,274)	2,088,984
	<b>\$15,522,947</b>	<b>\$9,212,891</b>	<b>\$6,310,056</b>

The main driver of the increase is attributable to less transmission revenues being received through MISO and SPP, resulting in a higher net revenue requirement. Montana-Dakota has experienced a decrease in SPP Facility Credits driven by a lower ratio of the transmission requirement to the total revenue requirement as well as a reduction in Montana-Dakota's transmission assets required to serve SPP customers and therefore no longer qualifying for facility credits.

The increase in the revenue requirement on the Company's approved capital transmission projects is attributed to the assets being in service for the entire year for the projected period, whereas the prior year's filing included partial year projections based on when the project was placed into service.

- *Exhibit 3* provides a summary of the projected transmission-related expenses assessed Montana-Dakota under MISO and SPP transmission schedules as well as the projected revenue and/or credits received by Montana-Dakota for transmission related services by schedule.
- *Exhibit 4* shows the projected monthly revenue requirements for currently approved projects and the investment in six additional proposed transmission projects being placed into service in 2020. A revenue requirement for each

project for 2020 and 2021 is provided. The revenue requirement for the period July 2020 through June 2021 is reflected in the proposed revenue requirement to be recovered through this proposed TCA. The revenue requirement is comprised of:

- Transmission investment allocated to North Dakota = \$34,571,091, \$12,983,596 of this amount representing new proposed capital projects not currently being recovered in the TCA.
- Return on Rate Base: reflective of the authorized Capital Structure and the Return on Equity of 9.65% authorized in the Company's last electric rate case (Case No. PU-16-666).
- Depreciation Expense: annual depreciation rates for transmission related assets as authorized in Case No. PU-16-666.
- Taxes Other than Income: property tax based on the effective property tax rate for transmission property reflective of the location of the project.
- Income Taxes: current federal and state income tax rates.
- *Exhibit 5* shows the TCA Balancing Account (per Paragraph 2d of Rate 59) through June 2020. Any over or under recovery is assessed a carrying charge at the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
- *Exhibit 6* provides the detail of the derivation of the projected transmission-related expenses, revenues and credits for the twelve months ended June 30, 2021.

## V. Transmission Investments

Montana-Dakota is proposing to include costs related to transmission capital projects being placed into service in 2020, for new or modified electric transmission facilities as permitted by NDCC 49-05-04.3. Following is an explanation of the specified projects proposed to be recovered through the TCA:

- Dickinson Transmission Lines – Montana-Dakota has completed the breaker upgrade and the first phase of a loop line project in order to provide more reliable transmission service in the Dickinson service area and allow electricity to flow through Dickinson from the Coyote generating station to the Hettinger area in cases of outage, as approved in Docket No. PU-19-285. The Company is now completing the second phase of the loop line with another 6 miles of 115 kV line routed to interconnect the Dickinson West Substation to the Dickinson Refinery Substation. This project, combined with the breaker upgrade and line project to connect the Dickinson North Substation to the Dickinson Refinery Substation, was the most economic means of increasing reliability across Montana-Dakota's integrated electric system by providing a redundant transmission line feed to both the Dickinson North and West Substations, as the project allows electricity to flow through Dickinson from the Coyote generating station to the Hettinger area in cases of outage. The 6-mile 115 kV line to connect the Dickinson West Substation to the Refinery Substation has a planned completion date of October 2020 with an estimated cost of \$2 million. This is an integrated electric system project; therefore, 70.990922 percent has been allocated to North Dakota based on the North Dakota demand allocator.

- Watford City Lines – Montana-Dakota has completed the construction of the new Watford City Substation, the Interconnection Upgrades at the WAPA Substation and transmission line connection to the WAPA Substation in order to provide more reliable transmission service in the Watford City service area, as approved in Docket No. PU-19-285. The Company is now completing the transmission loop line around Watford City to connect the existing power transformer in WAPA's Substation to the new Montana-Dakota Watford Substation providing redundant feeds to all distribution substations in the service area providing enhanced reliability. The 60 kV loop line, operated at 34.5 kV, has a planned completion of December 2020 at an estimated cost of \$5.3 million. This project is assigned directly to the North Dakota electric system.
- Mandan Substation Project – This project involves adding a 230 kV line terminal for the Wishek 230 kV transmission line and a second 230/115 kV transformer at the Mandan Transmission Substation north of Mandan, ND. The Wishek 230 kV transmission line currently terminates in the Heskett Transmission Substation. Plans have been made to retire the existing Heskett Transmission Substation and build a new 115/69/41.6 kV substation on the Mandan Substation site located north of Mandan, ND. The existing Heskett Transmission Substation was built in 1966 with a straight bus arrangement that is being eliminated in order to increase reliability. The current arrangement causes all lines on the bus to trip in the event of a fault or circuit breaker failure. The Mandan Transmission Substation was built in 2010 and provides a superior bus arrangement for reliability and control. Terminating all of the 230 kV transmission lines into one

substation reduces outage contingencies and improves reliability on the electric integrated system. The project is estimated at \$1.8 million with a planned completion of November 2020. This is an integrated electric system project; therefore, 70.990922 percent has been allocated to North Dakota based on the North Dakota demand allocator.

- Crosby to Zahl Transmission Line Rebuild – The existing 60 kV transmission line connecting Zahl to Crosby had been significantly impacted by standing water along the line right-of-way causing accelerated deterioration of the wood transmission structures. Because of the age and condition of the transmission line, which was built in 1948, the decision was made to re-route and rebuild the portions of line affected by standing water. Two sections of the line required installing peninsulas within the water to support new transmission structures. Approximately 2.5 miles of transmission line was rebuilt as a part of this project. The project cost is \$1.2 million and the project was in service in April 2020. This project is assigned directly to the North Dakota electric system.
- Bismarck Sweet Avenue Substation Addition – The Bismarck Sweet Avenue Transmission Substation provides power to the Bismarck Front Avenue Distribution Substation. Two power transformers in the Front Avenue Substation are connected to one transmission terminal in the Sweet Avenue Substation. This project involves adding facilities in the Sweet Avenue Substation to separate those transformers. This will provide additional reliability to the electric system within the city of Bismarck by shrinking the zones of protection and ease switching operations. The project is estimated to cost approximately \$1.1 million

and scheduled to be in service October 2020. This project is assigned directly to the North Dakota electric system.

- Mobile Substation Project – A mobile substation allows emergency replacement of substation facilities that have failed in-service. The advantage of a mobile substation over traditional spare equipment is the speed of the process to place the equipment in-service. The outage created by failed equipment may be reduced from days or weeks to hours. This mobile substation is constructed on three trailers that are connected together by bus cables and control cables. The equipment consists of a 230x115-60x41.6 kV 40 MVA power transformer, a 245 kV rated circuit switcher, a 72 kV rated circuit breaker, and all protective relays and controls to operate independent of any other facilities. This substation will be placed in service in August 2020 with an estimated cost of \$3.8 million. This is an integrated electric system project; therefore, 70.990922 percent has been allocated to North Dakota based on the North Dakota demand allocator.

**VI. Estimated Impact by Customer Class**

As shown in Exhibit 2, Montana-Dakota’s projected costs to be recovered under the TCA rates as allocated to North Dakota are \$15,522,947. A residential customer using 894 Kwh a month would see an increase of \$3.35 per month under the proposed TCA rates or an increase of \$40.20 annually. Montana-Dakota requests approval of the following TCA rates to be effective November 1, 2020:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/Kwh	\$0.00849	\$0.00474	\$0.00375
Large General & Contracts/Kwh	\$0.00678	\$0.00390	\$0.00288
Lighting/Kwh	\$0.00323	\$0.00234	\$0.00089

Montana-Dakota has included as Exhibit 7 a Customer Notice to be included with customer's bills starting thirty days from date of filing in accordance with NDCC § 69-09-02-02.1 requiring a notice to be provided to customers, within thirty days after filing, informing customers of the Company's request to update rates.

Montana-Dakota is submitting a check in the amount of \$10,000. Montana-Dakota respectfully requests the Commission reduce the required \$100,000 filing fee pursuant to NDCC §49-05-04.3.2d which states the North Dakota Public Service Commission may waive or reduce the fee.

### **VII. Conclusion**

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's TCA rates to be effective with service rendered on and after November 1, 2020.

Dated this 17<sup>th</sup> day of July 2020

*/s/ Travis R. Jacobson*

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Travis R. Jacobson  
Director of Regulatory Affairs

Of Counsel:  
Karl Liepitz  
Assistant General Counsel  
MDU Resources Group, Inc.  
P.O. Box 5650  
Bismarck, ND 58506-5650

# Exhibit 1



# Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
9<sup>th</sup> Revised Sheet No. 43.1  
8<sup>th</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

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Page 2 of 2

- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
- 3. Transmission Cost Adjustment Rate by class:**

Residential & Small General	0.849¢ per Kwh
Large General	0.678¢ per Kwh
Lighting	0.323¢ per Kwh

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**Date Filed:** July 17, 2020

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:**

## **Tariff Reflecting Proposed Changes**



# Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~89~~<sup>89</sup><sup>th</sup> Revised Sheet No. 43.1

~~78~~<sup>78</sup><sup>th</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	<del>0.4740.849</del> ¢ per Kwh
Large General	<del>0.3990.678</del> ¢ per Kwh
Lighting	<del>0.2340.323</del> ¢ per Kwh

**Date Filed:** ~~July 19, 2019~~ July 17, 2020

**Effective Date:** ~~Service rendered on and after October 28, 2019~~

**Issued By:** ~~Tamie A. Aberle~~ Travis R. Jacobson

Director - Regulatory Affairs

**Case No.:** ~~PU-19-285~~

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Cost Adjustment  
Proposed TCA Rates**

	Total	Residential & Small General	Large General & Contracts	Lighting
Projected Costs to be Recovered				
Net Expense 1/ 2/	\$10,535,910	\$4,949,367	\$5,537,519	\$49,024
Transmission Projects' Revenue Requirement 3/	3,338,876	1,568,476	1,754,864	15,536
Under/(Over) Balance 4/	1,648,161	774,243	866,249	7,669
Net Transmission Expense	<u>\$15,522,947</u>	<u>\$7,292,086</u>	<u>\$8,158,632</u>	<u>\$72,229</u>
Projected Kwh 5/	2,085,230,255	859,108,688	1,203,770,134	22,351,433
Proposed TCA Rate per Kwh				
Revenue Requirement per Kwh		\$0.00759	\$0.00606	\$0.00289
Amortization per Kwh		<u>0.00090</u>	<u>0.00072</u>	<u>0.00034</u>
Proposed TCA Rate per Kwh		0.00849	0.00678	0.00323
Current TCA Rate per Kwh 6/				
Revenue Requirement per Kwh		\$0.00497	\$0.00409	\$0.00245
Amortization per Kwh		<u>(0.00023)</u>	<u>(0.00019)</u>	<u>(0.00011)</u>
Current TCA Rate per Kwh		0.00474	0.00390	0.00234
Change in TCA Rate		<u><u>\$0.00375</u></u>	<u><u>\$0.00288</u></u>	<u><u>\$0.00089</u></u>

1/ Exhibit 3

2/ Demand Allocation Factor 2

Residential & Small General	46.976176%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General & Contracts	52.558524%	(Rates 30, 31, 32, 38, 48, and Contracts)
Lighting	<u>0.465300%</u>	(Rates 41, 52)
	<u><u>100.000000%</u></u>	

3/ Exhibit 4

4/ Exhibit 5

5/ Projected Kwh sales.

6/ Current TCA rates effective October 28, 2019.

**Montana-Dakota Utilities Co.**  
**Transmission Cost Adjustment**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Projected Twelve Months Ending June 2021**

	2020						2021						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
Facility Sharing Agreement	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,337	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$244,000
<b>MISO</b>													
Revenue/Credits													
Schedule 1	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,458	65,551
Schedule 2	22,669	22,669	22,669	22,669	22,669	22,669	22,669	22,669	22,669	22,669	22,669	22,673	272,032
Schedule 7	78,922	78,922	78,922	78,922	78,922	78,922	78,922	78,922	78,922	78,922	78,922	78,922	947,064
Schedule 8	216	216	216	216	216	216	216	216	216	216	216	217	2,593
Schedule 9	307,953	307,953	307,953	307,953	307,953	307,953	307,953	307,953	307,953	307,953	307,953	307,950	3,695,433
NITS Cust Rev Req.	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(52,955)	(635,460)
Schedule 24	64,162	64,162	64,162	64,162	64,162	64,162	64,162	64,162	64,162	64,162	64,162	64,159	769,941
Schedule 26	78,194	78,194	78,194	78,194	78,194	78,192	78,194	78,194	78,194	78,194	78,194	78,194	938,326
	504,624	504,624	504,624	504,624	504,624	504,622	504,624	504,624	504,624	504,624	504,624	504,618	6,055,480
<b>Charges</b>													
Schedule 10													
MISO - FERC Energy	48,780	48,780	48,780	48,780	48,780	48,780	48,780	48,780	48,780	48,780	48,780	48,785	585,365
MISO - FERC Demand	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,554	3,549	42,643
FERC Direct	24,584	24,584	24,584	24,584	24,584	24,584	24,584	24,584	24,584	24,584	24,584	24,582	295,006
	76,918	76,918	76,918	76,918	76,918	76,918	76,918	76,918	76,918	76,918	76,918	76,916	923,014
Schedule 26	209,818	209,818	209,818	209,818	209,818	209,818	208,846	208,846	208,846	208,846	208,846	208,846	2,511,984
Schedule 26A	496,582	477,812	430,296	432,082	481,766	565,729	578,898	519,323	511,308	441,534	437,328	447,002	5,819,660
A&G Retail Rate Credit	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,248)	(86,251)	(1,034,979)
	697,070	678,300	630,784	632,570	682,254	766,217	778,414	718,839	710,824	641,050	636,844	646,513	8,219,679

**Montana-Dakota Utilities Co.**  
**Transmission Cost Adjustment**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Projected Twelve Months Ending June 2021**

	2020						2021						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
<b>SPP</b>													
Revenue/Credits													
Facility Credits	698,866	698,866	698,866	698,866	698,866	698,861	698,866	698,866	698,866	698,866	698,866	698,866	8,386,387
Charges													
Schedule 1	58,052	58,052	58,052	58,052	58,052	58,054	58,052	58,052	58,052	58,052	58,052	58,052	696,626
Schedule 1a	88,129	88,129	88,129	88,129	88,129	88,133	88,129	88,129	88,129	88,129	88,129	88,129	1,057,552
Schedule 9	1,452,490	1,452,490	1,452,490	1,452,490	1,452,490	1,452,489	1,452,490	1,452,490	1,452,490	1,452,490	1,452,490	1,452,490	17,429,879
Schedule 11	152,273	152,273	152,273	152,273	152,273	152,278	152,273	152,273	152,273	152,273	152,273	152,273	1,827,281
Schedule 12	24,671	24,671	24,671	24,671	24,671	24,671	24,671	24,671	24,671	24,671	24,671	24,671	296,052
	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,625</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>1,775,615</u>	<u>21,307,390</u>
<b>Total Company Revenue/Credits</b>													
Facility Sharing	20,333	20,333	20,333	20,333	20,333	20,337	20,333	20,333	20,333	20,333	20,333	20,333	244,000
MISO	504,624	504,624	504,624	504,624	504,624	504,622	504,624	504,624	504,624	504,624	504,624	504,618	6,055,480
SPP	698,866	698,866	698,866	698,866	698,866	698,861	698,866	698,866	698,866	698,866	698,866	698,866	8,386,387
	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,820</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,823</u>	<u>1,223,817</u>	<u>14,685,867</u>
Allocated to ND 1/	868,803	868,803	868,803	868,803	868,803	868,801	868,803	868,803	868,803	868,803	868,803	868,799	10,425,630
<b>Total Company Charges</b>													
MISO	697,070	678,300	630,784	632,570	682,254	766,217	778,414	718,839	710,824	641,050	636,844	646,513	8,219,679
SPP	1,775,615	1,775,615	1,775,615	1,775,615	1,775,615	1,775,625	1,775,615	1,775,615	1,775,615	1,775,615	1,775,615	1,775,615	21,307,390
	<u>2,472,685</u>	<u>2,453,915</u>	<u>2,406,399</u>	<u>2,408,185</u>	<u>2,457,869</u>	<u>2,541,842</u>	<u>2,554,029</u>	<u>2,494,454</u>	<u>2,486,439</u>	<u>2,416,665</u>	<u>2,412,459</u>	<u>2,422,128</u>	<u>29,527,069</u>
Allocated to ND 1/	1,755,382	1,742,057	1,708,325	1,709,593	1,744,864	1,804,477	1,813,129	1,770,836	1,765,146	1,715,613	1,712,627	1,719,491	20,961,540
<b>Net ND Expense</b>	<u>\$886,579</u>	<u>\$873,254</u>	<u>\$839,522</u>	<u>\$840,790</u>	<u>\$876,061</u>	<u>\$935,676</u>	<u>\$944,326</u>	<u>\$902,033</u>	<u>\$896,343</u>	<u>\$846,810</u>	<u>\$843,824</u>	<u>\$850,692</u>	<u>\$10,535,910</u>

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand: 70.990922%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement  
Projected Period**

	Projected						Average Balance
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	
<b>Rate Base</b>							
Plant Balance:	\$34,571,091	\$34,571,091	\$34,571,091	\$34,571,091	\$34,571,091	\$34,571,091	
Accumulated Reserve	429,873	481,845	533,817	585,789	637,761	689,733	
Net Plant in Service	\$34,141,218	\$34,089,246	\$34,037,274	\$33,985,302	\$33,933,330	\$33,881,358	\$34,011,288
Accum Def Income Taxes	\$359,668	\$391,208	\$419,564	\$444,837	\$466,924	\$485,928	
Total Plant in Service	\$33,781,550	\$33,698,038	\$33,617,710	\$33,540,465	\$33,466,406	\$33,395,430	\$33,583,267
<b>Return on Rate Base</b>	<b>\$207,307</b>	<b>\$206,794</b>	<b>\$206,301</b>	<b>\$205,826</b>	<b>\$205,372</b>	<b>\$204,937</b>	<b>\$1,236,537</b>
<b>Expenses</b>							
Operating Expenses							Year to Date
Depreciation	51,972	51,972	51,972	51,972	51,972	51,972	311,832
Property Tax	10,415	10,415	10,415	10,415	10,415	10,415	62,490
Total Expenses	\$62,387	\$62,387	\$62,387	\$62,387	\$62,387	\$62,387	\$374,322
Income before Taxes (EBIT)	(\$62,387)	(\$62,387)	(\$62,387)	(\$62,387)	(\$62,387)	(\$62,387)	(\$374,322)
Interest Expense	66,269	66,105	65,947	65,796	65,650	65,511	395,278
Taxable income	(\$128,656)	(\$128,492)	(\$128,334)	(\$128,183)	(\$128,037)	(\$127,898)	(\$769,600)
Income Taxes	(\$31,399)	(\$31,358)	(\$31,319)	(\$31,283)	(\$31,248)	(\$31,213)	(\$187,820)
Operating Income	(\$30,988)	(\$31,029)	(\$31,068)	(\$31,104)	(\$31,139)	(\$31,174)	(\$186,502)
<b>Revenue Requirement - 2021</b>	<b>\$315,225</b>	<b>\$314,601</b>	<b>\$314,000</b>	<b>\$313,420</b>	<b>\$312,866</b>	<b>\$312,337</b>	<b>\$1,882,449</b>
<b>Approved Projects - July - December 2020 Revenue Requirement:</b>							<b>\$1,089,144</b>
<b>Proposed Projects - 2020 Revenue Requirement:</b>							<b>\$367,283</b>
<b>Total Projected Revenue Requirement:</b>							<b>\$3,338,876</b>

**Projected Revenue Requirement from Approved Projects:**

Proposed Projects - July - December Revenue Requirement:	\$1,089,144
Proposed Projects - January - June 2021 Revenue Requirement:	<u>1,171,273</u>
	<b>\$2,260,417</b>

**Projected Revenue Requirement from Proposed Projects:**

Proposed Projects - July - December Revenue Requirement:	\$367,283
Proposed Projects - January - June 2021 Revenue Requirement:	<u>711,176</u>
	<b>\$1,078,459</b>

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement - Approved Projects  
Actual/Projected Year End 2020**

	Actual					Projected							Average Balance
	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	
<b>Rate Base</b>													
<b>Plant Balance:</b>													
Bowdle	\$2,258,858	\$2,258,858	\$2,267,072	\$2,267,072	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	
Leola 5/	887,516	887,516	887,516	888,103	888,103	888,103	888,103	888,103	2,735,358	2,735,358	2,735,358	2,735,358	
Dickinson	0	0	5,762,485	5,764,519	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	
Watford City 6/	1,825,922	8,451,153	8,478,064	8,520,633	8,527,215	8,527,215	8,527,215	8,527,215	8,527,215	8,527,215	8,527,215	9,827,215	
Lightning Protection	346,978	346,978	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	
Richland 7/	0	0	0	0	0	0	660,713	660,713	660,713	660,713	660,713	660,713	
<b>Total Plant Balance</b>	<b>\$5,319,274</b>	<b>\$11,944,505</b>	<b>\$17,742,126</b>	<b>\$17,787,316</b>	<b>\$17,779,527</b>	<b>\$17,779,527</b>	<b>\$18,440,240</b>	<b>\$18,440,240</b>	<b>\$20,287,495</b>	<b>\$20,287,495</b>	<b>\$20,287,495</b>	<b>\$21,587,495</b>	<b>\$17,306,895</b>
<b>Accumulated Reserve:</b>													
Bowdle	\$23,831	\$26,838	\$29,845	\$32,866	\$35,886	\$38,907	\$41,928	\$44,949	\$47,970	\$50,991	\$54,012	\$57,033	
Leola	3,533	4,705	5,876	7,048	8,220	9,392	10,564	11,736	12,908	16,512	20,116	23,720	
Dickinson	0	0	0	9,177	18,358	27,538	36,718	45,898	55,078	64,258	73,438	82,618	
Watford City	37,417	41,035	53,398	65,796	78,250	90,704	103,158	115,612	128,066	140,520	152,974	165,428	
Lightning Protection	444	888	1,332	1,776	2,220	2,664	3,108	3,552	3,996	4,440	4,884	5,328	
Richland	0	0	0	0	0	0	0	842	1,684	2,526	3,368	4,210	
<b>Total Accumulated Reserve</b>	<b>\$65,225</b>	<b>\$73,466</b>	<b>\$90,451</b>	<b>\$116,663</b>	<b>\$142,934</b>	<b>\$169,205</b>	<b>\$195,476</b>	<b>\$222,589</b>	<b>\$249,702</b>	<b>\$279,247</b>	<b>\$308,792</b>	<b>\$338,337</b>	<b>\$187,674</b>
<b>Net Plant in Service</b>	<b>\$5,254,049</b>	<b>\$11,871,039</b>	<b>\$17,651,675</b>	<b>\$17,670,653</b>	<b>\$17,636,593</b>	<b>\$17,610,322</b>	<b>\$18,244,764</b>	<b>\$18,217,651</b>	<b>\$20,037,793</b>	<b>\$20,008,248</b>	<b>\$19,978,703</b>	<b>\$21,249,158</b>	<b>\$17,119,221</b>
<b>Accum Def Income Taxes 1/</b>	<b>\$55,504</b>	<b>\$67,692</b>	<b>\$78,649</b>	<b>\$88,415</b>	<b>\$96,950</b>	<b>\$104,294</b>	<b>\$110,407</b>	<b>\$115,290</b>	<b>\$118,982</b>	<b>\$121,444</b>	<b>\$122,715</b>	<b>\$122,754</b>	
<b>Total Plant in Service</b>	<b>\$5,198,545</b>	<b>\$11,803,347</b>	<b>\$17,573,026</b>	<b>\$17,582,238</b>	<b>\$17,539,643</b>	<b>\$17,506,028</b>	<b>\$18,134,357</b>	<b>\$18,102,361</b>	<b>\$19,918,811</b>	<b>\$19,886,804</b>	<b>\$19,855,988</b>	<b>\$21,126,404</b>	<b>\$17,018,963</b>
<b>Return on Rate Base 2/</b>	<b>\$31,902</b>	<b>\$72,433</b>	<b>\$107,840</b>	<b>\$107,896</b>	<b>\$107,635</b>	<b>\$107,429</b>	<b>\$111,285</b>	<b>\$111,088</b>	<b>\$122,235</b>	<b>\$122,039</b>	<b>\$121,850</b>	<b>\$129,646</b>	<b>\$1,253,278</b>
<b>Expenses</b>													
<b>Operating Expenses</b>													
<b>Depreciation:</b>													
Bowdle	\$2,996	\$3,007	\$3,007	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	
Leola 5/	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	3,604	3,604	3,604	
Dickinson	0	0	0	9,177	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	
Watford City 6/	3,604	3,617	12,363	12,398	12,454	12,454	12,454	12,454	12,454	12,454	12,454	12,454	
Lightning Protection	444	444	444	444	444	444	444	444	444	444	444	444	
Richland 7/	0	0	0	0	0	0	0	842	842	842	842	842	
<b>Total Depreciation</b>	<b>8,216</b>	<b>8,240</b>	<b>16,986</b>	<b>26,212</b>	<b>26,271</b>	<b>26,271</b>	<b>26,271</b>	<b>27,113</b>	<b>27,113</b>	<b>29,545</b>	<b>29,545</b>	<b>29,545</b>	<b>281,328</b>
Property Tax 3/	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	88,279
<b>Total Expenses</b>	<b>\$15,573</b>	<b>\$15,597</b>	<b>\$24,343</b>	<b>\$33,569</b>	<b>\$33,628</b>	<b>\$33,628</b>	<b>\$33,628</b>	<b>\$34,470</b>	<b>\$34,470</b>	<b>\$36,902</b>	<b>\$36,902</b>	<b>\$36,897</b>	<b>\$369,607</b>
<b>Income before Taxes (EBIT)</b>	<b>(\$15,573)</b>	<b>(\$15,597)</b>	<b>(\$24,343)</b>	<b>(\$33,569)</b>	<b>(\$33,628)</b>	<b>(\$33,628)</b>	<b>(\$33,628)</b>	<b>(\$34,470)</b>	<b>(\$34,470)</b>	<b>(\$36,902)</b>	<b>(\$36,902)</b>	<b>(\$36,897)</b>	<b>(\$369,607)</b>
Interest Expense	10,198	23,154	34,472	34,490	34,407	34,341	35,574	35,511	39,074	39,011	38,951	41,443	400,626
<b>Taxable income</b>	<b>(\$25,771)</b>	<b>(\$38,751)</b>	<b>(\$58,815)</b>	<b>(\$68,059)</b>	<b>(\$68,035)</b>	<b>(\$67,969)</b>	<b>(\$69,202)</b>	<b>(\$69,981)</b>	<b>(\$73,544)</b>	<b>(\$75,913)</b>	<b>(\$75,853)</b>	<b>(\$78,340)</b>	<b>(\$770,233)</b>
Income Taxes 4/	(\$6,289)	(\$9,457)	(\$14,354)	(\$16,610)	(\$16,604)	(\$16,588)	(\$16,889)	(\$17,079)	(\$17,948)	(\$18,526)	(\$18,512)	(\$19,119)	(\$187,975)
Operating Income	(\$9,284)	(\$6,140)	(\$9,989)	(\$16,959)	(\$17,024)	(\$17,040)	(\$16,739)	(\$17,391)	(\$16,522)	(\$18,376)	(\$18,390)	(\$17,778)	(\$181,632)
<b>Revenue Requirement</b>	<b>\$54,482</b>	<b>\$103,939</b>	<b>\$155,869</b>	<b>\$165,163</b>	<b>\$164,904</b>	<b>\$164,652</b>	<b>\$169,355</b>	<b>\$169,957</b>	<b>\$183,553</b>	<b>\$185,746</b>	<b>\$185,515</b>	<b>\$195,018</b>	<b>\$1,898,153</b>

July - December 2020 Revenue Requirement: \$1,089,144

Factor 15-Integrated Sys. 12 2020  
Month Peak Demand 70.990922%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2020 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2020: 173,879  
Monthly: 14,490

	January	February	March	April	May	June	July	August	September	October	November	December
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
	13,299	12,188	10,957	9,766	8,535	7,344	6,113	4,883	3,692	2,462	1,271	39

2/ Authorized capital structure with authorized return on equity from most recent rate case.

	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%	9.650%	4.960%
	100.000%		7.364%

3/ Property tax:

Estimated 2020 Property Tax:	124,353
ND Fac. #15:	70.990922%
Estimated ND Property Tax:	88,279
Monthly:	7,357

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

5/ See page 6.

7/ See page 8.

6/ See page 7.

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement - Approved Projects  
Projected Year 2021**

	Projected												Average Balance
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	
<b>Rate Base</b>													
<b>Plant Balance:</b>													
Bowdle	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103	\$2,267,103
Leola	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358	2,735,358
Dickinson	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117	5,750,117
Watford City	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215	9,827,215
Lightning Protection	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989	346,989
Richland	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713	660,713
<b>Total Plant Balance</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>	<b>\$21,587,495</b>
<b>Accumulated Reserve:</b>													
Bowdle	\$60,054	\$63,075	\$66,096	\$69,117	\$72,138	\$75,159	\$78,180	\$81,201	\$84,222	\$87,243	\$90,264	\$93,285	\$93,285
Leola	27,324	30,928	34,532	38,136	41,740	45,344	48,948	52,552	56,156	59,760	63,364	66,968	66,968
Dickinson	91,798	100,978	110,158	119,338	128,518	137,698	146,878	156,058	165,238	174,418	183,598	192,778	192,778
Watford City	180,081	194,734	209,387	224,040	238,693	253,346	267,999	282,652	297,305	311,958	326,611	341,264	341,264
Lightning Protection	5,772	6,216	6,660	7,104	7,548	7,992	8,436	8,880	9,324	9,768	10,212	10,656	10,656
Richland	5,052	5,894	6,736	7,578	8,420	9,262	10,104	10,946	11,788	12,630	13,472	14,314	14,314
<b>Total Accumulated Reserve</b>	<b>\$370,081</b>	<b>\$401,825</b>	<b>\$433,569</b>	<b>\$465,313</b>	<b>\$497,057</b>	<b>\$528,801</b>	<b>\$560,545</b>	<b>\$592,289</b>	<b>\$624,033</b>	<b>\$655,777</b>	<b>\$687,521</b>	<b>\$719,265</b>	<b>\$544,673</b>
<b>Net Plant in Service</b>	<b>\$21,217,414</b>	<b>\$21,185,670</b>	<b>\$21,153,926</b>	<b>\$21,122,182</b>	<b>\$21,090,438</b>	<b>\$21,058,694</b>	<b>\$21,026,950</b>	<b>\$20,995,206</b>	<b>\$20,963,462</b>	<b>\$20,931,718</b>	<b>\$20,899,974</b>	<b>\$20,868,230</b>	<b>\$21,042,822</b>
Accum Def Income Taxes 1/	\$237,536	\$257,195	\$274,870	\$290,623	\$304,390	\$316,235	\$326,096	\$333,973	\$339,928	\$343,899	\$345,949	\$346,012	\$346,012
<b>Total Plant in Service</b>	<b>\$20,979,878</b>	<b>\$20,928,475</b>	<b>\$20,879,056</b>	<b>\$20,831,559</b>	<b>\$20,786,048</b>	<b>\$20,742,459</b>	<b>\$20,700,854</b>	<b>\$20,661,233</b>	<b>\$20,623,534</b>	<b>\$20,587,819</b>	<b>\$20,554,025</b>	<b>\$20,522,218</b>	<b>\$20,733,097</b>
<b>Return on Rate Base 2/</b>	<b>\$128,747</b>	<b>\$128,431</b>	<b>\$128,128</b>	<b>\$127,836</b>	<b>\$127,557</b>	<b>\$127,290</b>	<b>\$127,034</b>	<b>\$126,791</b>	<b>\$126,560</b>	<b>\$126,341</b>	<b>\$126,133</b>	<b>\$125,938</b>	<b>\$152,678</b>
<b>Expenses</b>													
<b>Operating Expenses</b>													<b>Year End</b>
<b>Depreciation:</b>													
Bowdle	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021	\$3,021
Leola	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604	3,604
Dickinson	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180
Watford City	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653	14,653
Lightning Protection	444	444	444	444	444	444	444	444	444	444	444	444	444
Richland	842	842	842	842	842	842	842	842	842	842	842	842	842
<b>Total Depreciation</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>31,744</b>	<b>380,928</b>
Property Tax 3/	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,357	7,352	88,279
<b>Total Expenses</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,101</b>	<b>\$39,096</b>	<b>\$469,207</b>
<b>Income before Taxes (EBIT)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,101)</b>	<b>(\$39,096)</b>	<b>(\$469,207)</b>
<b>Interest Expense</b>	<b>41,156</b>	<b>41,055</b>	<b>40,958</b>	<b>40,865</b>	<b>40,775</b>	<b>40,690</b>	<b>40,608</b>	<b>40,530</b>	<b>40,456</b>	<b>40,386</b>	<b>40,320</b>	<b>40,258</b>	<b>488,057</b>
<b>Taxable income</b>	<b>(\$80,257)</b>	<b>(\$80,156)</b>	<b>(\$80,059)</b>	<b>(\$79,966)</b>	<b>(\$79,876)</b>	<b>(\$79,791)</b>	<b>(\$79,709)</b>	<b>(\$79,631)</b>	<b>(\$79,557)</b>	<b>(\$79,487)</b>	<b>(\$79,421)</b>	<b>(\$79,354)</b>	<b>(\$957,264)</b>
<b>Income Taxes 4/</b>	<b>(\$19,587)</b>	<b>(\$19,562)</b>	<b>(\$19,538)</b>	<b>(\$19,516)</b>	<b>(\$19,494)</b>	<b>(\$19,473)</b>	<b>(\$19,453)</b>	<b>(\$19,434)</b>	<b>(\$19,416)</b>	<b>(\$19,399)</b>	<b>(\$19,383)</b>	<b>(\$19,366)</b>	<b>(\$233,621)</b>
<b>Operating Income</b>	<b>(\$19,514)</b>	<b>(\$19,539)</b>	<b>(\$19,563)</b>	<b>(\$19,585)</b>	<b>(\$19,607)</b>	<b>(\$19,628)</b>	<b>(\$19,648)</b>	<b>(\$19,667)</b>	<b>(\$19,685)</b>	<b>(\$19,702)</b>	<b>(\$19,718)</b>	<b>(\$19,730)</b>	<b>(\$235,586)</b>
<b>Revenue Requirement</b>	<b>\$196,125</b>	<b>\$195,740</b>	<b>\$195,371</b>	<b>\$195,014</b>	<b>\$194,674</b>	<b>\$194,349</b>	<b>\$194,036</b>	<b>\$193,740</b>	<b>\$193,458</b>	<b>\$193,191</b>	<b>\$192,937</b>	<b>\$192,695</b>	<b>\$2,331,330</b>

Factor 15-Integrated Sys. 12  
Month Peak Demand 2020  
70.990922%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2021:  
Monthly: 280,478  
23,373

January	February	March	April	May	June	July	August	September	October	November	December
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
21,452	19,659	17,675	15,753	13,767	11,845	9,861	7,877	5,955	3,971	2,050	63

2/ Authorized capital structure with authorized return on equity from most recent rate case.

	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%	9.650%	4.960%
	100.000%		7.364%

3/ Property tax:

Estimated 2021 Property Tax:	124,353
ND Fac. #15: 70.990922%	
Estimated ND Property Tax:	88,279
Monthly:	7,357

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement - Proposed Projects  
Projected Year End 2020**

	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Average Balance
<b>Rate Base</b>													
<b>Plant Balance:</b>													
Dickinson 5/	0	0	0	0	0	0	0	0	0	1,431,177	1,431,177	1,431,177	
Watford City 6/	0	0	0	0	0	0	0	0	0	0	0	5,324,000	
Mandan 7/	0	0	0	0	0	0	0	0	0	0	1,287,118	1,287,118	
Crosby 8/	0	0	0	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	
Bismarck 9/	0	0	0	0	0	0	0	0	0	1,058,400	1,058,400	1,058,400	
Mobile Substation 10/	0	0	0	0	0	0	0	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	
<b>Total Plant Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,164,700</b>	<b>\$1,164,700</b>	<b>\$1,164,700</b>	<b>\$1,164,700</b>	<b>\$3,882,901</b>	<b>\$3,882,901</b>	<b>\$6,372,478</b>	<b>\$7,659,596</b>	<b>\$12,983,596</b>	<b>\$3,286,689</b>
<b>Accumulated Reserve:</b>													
Dickinson	0	0	0	0	0	0	0	0	0	0	2,421	4,842	
Watford City	0	0	0	0	0	0	0	0	0	0	0	0	
Mandan	0	0	0	0	0	0	0	0	0	0	0	1,858	
Crosby	0	0	0	0	1,970	3,940	5,910	7,880	9,850	11,820	13,790	15,760	
Bismarck	0	0	0	0	0	0	0	0	0	0	1,394	2,788	
Mobile Substation	0	0	0	0	0	0	0	0	3,579	7,158	10,737	14,316	
<b>Total Accumulated Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,970</b>	<b>\$3,940</b>	<b>\$5,910</b>	<b>\$7,880</b>	<b>\$13,429</b>	<b>\$18,978</b>	<b>\$28,342</b>	<b>\$39,564</b>	<b>\$10,001</b>
<b>Net Plant in Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,164,700</b>	<b>\$1,162,730</b>	<b>\$1,160,760</b>	<b>\$1,158,790</b>	<b>\$3,875,021</b>	<b>\$3,869,472</b>	<b>\$6,353,500</b>	<b>\$7,631,254</b>	<b>\$12,944,032</b>	<b>\$3,276,688</b>
<b>Accum Def Income Taxes 1/</b>	<b>\$8,349</b>	<b>\$16,000</b>	<b>\$22,879</b>	<b>\$29,010</b>	<b>\$34,368</b>	<b>\$38,978</b>	<b>\$42,816</b>	<b>\$45,882</b>	<b>\$48,200</b>	<b>\$49,746</b>	<b>\$50,544</b>	<b>\$50,569</b>	
<b>Total Plant in Service</b>	<b>(\$8,349)</b>	<b>(\$16,000)</b>	<b>(\$22,879)</b>	<b>\$1,135,690</b>	<b>\$1,128,362</b>	<b>\$1,121,782</b>	<b>\$1,115,974</b>	<b>\$3,829,139</b>	<b>\$3,821,272</b>	<b>\$6,303,754</b>	<b>\$7,580,710</b>	<b>\$12,893,463</b>	<b>\$3,240,243</b>
<b>Return on Rate Base 2/</b>	<b>(\$51)</b>	<b>(\$98)</b>	<b>(\$140)</b>	<b>\$6,969</b>	<b>\$6,924</b>	<b>\$6,884</b>	<b>\$6,848</b>	<b>\$23,498</b>	<b>\$23,450</b>	<b>\$38,684</b>	<b>\$46,520</b>	<b>\$79,123</b>	<b>\$238,611</b>
<b>Expenses</b>													
<b>Operating Expenses</b>													
<b>Depreciation:</b>													Year End
Dickinson 5/	0	0	0	0	0	0	0	0	0	0	2,421	2,421	4,842
Watford City 6/	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandan 7/	0	0	0	0	0	0	0	0	0	0	0	1,858	1,858
Crosby 8/	0	0	0	0	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	15,760
Bismarck 9/	0	0	0	0	0	0	0	0	0	0	1,394	1,394	2,788
Mobile Substation 10/	0	0	0	0	0	0	0	0	3,579	3,579	3,579	3,579	14,316
<b>Total Depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>1,970</b>	<b>5,549</b>	<b>5,549</b>	<b>9,364</b>	<b>11,222</b>	<b>39,564</b>
Property Tax 3/	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	36,700
<b>Total Expenses</b>	<b>\$3,058</b>	<b>\$3,058</b>	<b>\$3,058</b>	<b>\$3,058</b>	<b>\$5,028</b>	<b>\$5,028</b>	<b>\$5,028</b>	<b>\$5,028</b>	<b>\$8,607</b>	<b>\$8,607</b>	<b>\$12,422</b>	<b>\$14,284</b>	<b>\$76,264</b>
<b>Income before Taxes (EBIT)</b>	<b>(\$3,058)</b>	<b>(\$3,058)</b>	<b>(\$3,058)</b>	<b>(\$3,058)</b>	<b>(\$5,028)</b>	<b>(\$5,028)</b>	<b>(\$5,028)</b>	<b>(\$5,028)</b>	<b>(\$8,607)</b>	<b>(\$8,607)</b>	<b>(\$12,422)</b>	<b>(\$14,284)</b>	<b>(\$76,264)</b>
<b>Interest Expense</b>	<b>(16)</b>	<b>(31)</b>	<b>(45)</b>	<b>2,228</b>	<b>2,213</b>	<b>2,201</b>	<b>2,189</b>	<b>7,511</b>	<b>7,496</b>	<b>12,366</b>	<b>14,871</b>	<b>25,293</b>	<b>76,276</b>
<b>Taxable income</b>	<b>(\$3,042)</b>	<b>(\$3,027)</b>	<b>(\$3,013)</b>	<b>(\$5,286)</b>	<b>(\$7,241)</b>	<b>(\$7,229)</b>	<b>(\$7,217)</b>	<b>(\$12,539)</b>	<b>(\$16,103)</b>	<b>(\$20,973)</b>	<b>(\$27,293)</b>	<b>(\$39,577)</b>	<b>(\$152,540)</b>
<b>Income Taxes 4/</b>	<b>(\$742)</b>	<b>(\$739)</b>	<b>(\$735)</b>	<b>(\$1,290)</b>	<b>(\$1,767)</b>	<b>(\$1,764)</b>	<b>(\$1,761)</b>	<b>(\$3,060)</b>	<b>(\$3,930)</b>	<b>(\$5,118)</b>	<b>(\$6,661)</b>	<b>(\$9,659)</b>	<b>(\$37,226)</b>
<b>Operating Income</b>	<b>(\$2,316)</b>	<b>(\$2,319)</b>	<b>(\$2,323)</b>	<b>(\$1,768)</b>	<b>(\$3,261)</b>	<b>(\$3,264)</b>	<b>(\$3,267)</b>	<b>(\$1,968)</b>	<b>(\$4,677)</b>	<b>(\$3,489)</b>	<b>(\$5,761)</b>	<b>(\$4,625)</b>	<b>(\$39,038)</b>
<b>Revenue Requirement</b>	<b>\$2,996</b>	<b>\$2,938</b>	<b>\$2,888</b>	<b>\$11,558</b>	<b>\$13,473</b>	<b>\$13,424</b>	<b>\$13,380</b>	<b>\$33,687</b>	<b>\$37,207</b>	<b>\$55,788</b>	<b>\$69,159</b>	<b>\$110,785</b>	<b>\$367,283</b>

Factor 15-Integrated Sys. 12  
Month Peak Demand  $\frac{2020}{70.990922\%}$

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2020 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2020: 109,168  
Monthly: 9,097

	January	February	March	April	May	June	July	August	September	October	November	December
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
	8,349	7,651	6,879	6,131	5,358	4,610	3,838	3,066	2,318	1,546	798	25

2/ Authorized capital structure with authorized return on equity from most recent rate case.

	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%	9.650%	4.960%
	100.000%		7.364%

3/ Property tax:

Estimated 2020 Property Tax:	51,697
ND Fac. #15:	70.990922%
Estimated ND Property Tax:	36,700
Monthly:	3,058

5/ See page 9. 8/ See page 12.

6/ See page 10. 9/ See page 13.

7/ See page 11. 10/ See page 14.

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement - Proposed Projects  
Projected Year End 2021**

	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Average Balance	
<b>Rate Base</b>														
<b>Plant Balance:</b>														
Dickinson	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	1,431,177	
Watford City	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	5,324,000	
Mandan	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	1,287,118	
Crosby	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	1,164,700	
Bismarck	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	1,058,400	
Mobile Substation	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	2,718,201	
<b>Total Plant Balance</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>12,983,596</b>	<b>\$12,983,596</b>	
<b>Accumulated Reserve:</b>														
Dickinson	7,263	9,684	12,105	14,526	16,947	19,368	21,789	24,210	26,631	29,052	31,473	33,894		
Watford City	9,006	18,012	27,018	36,024	45,030	54,036	63,042	72,048	81,054	90,060	99,066	108,072		
Mandan	3,716	5,574	7,432	9,290	11,148	13,006	14,864	16,722	18,580	20,438	22,296	24,154		
Crosby	17,730	19,700	21,670	23,640	25,610	27,580	29,550	31,520	33,490	35,460	37,430	39,400		
Bismarck	4,182	5,576	6,970	8,364	9,758	11,152	12,546	13,940	15,334	16,728	18,122	19,516		
Mobile Substation	17,895	21,474	25,053	28,632	32,211	35,790	39,369	42,948	46,527	50,106	53,685	57,264		
<b>Total Accumulated Reserve</b>	<b>\$59,792</b>	<b>\$80,020</b>	<b>\$100,248</b>	<b>\$120,476</b>	<b>\$140,704</b>	<b>\$160,932</b>	<b>\$181,160</b>	<b>\$201,388</b>	<b>\$221,616</b>	<b>\$241,844</b>	<b>\$262,072</b>	<b>\$282,300</b>	<b>\$171,046</b>	
<b>Net Plant in Service</b>	<b>\$12,923,804</b>	<b>\$12,903,576</b>	<b>\$12,883,348</b>	<b>\$12,863,120</b>	<b>\$12,842,892</b>	<b>\$12,822,664</b>	<b>\$12,802,436</b>	<b>\$12,782,208</b>	<b>\$12,761,980</b>	<b>\$12,741,752</b>	<b>\$12,721,524</b>	<b>\$12,701,296</b>	<b>\$12,812,550</b>	
<b>Accum Def Income Taxes 1/</b>	<b>\$122,132</b>	<b>\$134,013</b>	<b>\$144,694</b>	<b>\$154,214</b>	<b>\$162,534</b>	<b>\$169,693</b>	<b>\$175,652</b>	<b>\$180,412</b>	<b>\$184,011</b>	<b>\$186,411</b>	<b>\$187,650</b>	<b>\$187,688</b>		
<b>Total Plant in Service</b>	<b>\$12,801,672</b>	<b>\$12,769,563</b>	<b>\$12,738,654</b>	<b>\$12,708,906</b>	<b>\$12,680,358</b>	<b>\$12,652,971</b>	<b>\$12,626,784</b>	<b>\$12,601,796</b>	<b>\$12,577,969</b>	<b>\$12,555,341</b>	<b>\$12,533,874</b>	<b>\$12,513,608</b>	<b>\$12,646,791</b>	
<b>Return on Rate Base 2/</b>	<b>\$78,560</b>	<b>\$78,363</b>	<b>\$78,173</b>	<b>\$77,990</b>	<b>\$77,815</b>	<b>\$77,647</b>	<b>\$77,486</b>	<b>\$77,333</b>	<b>\$77,187</b>	<b>\$77,048</b>	<b>\$76,916</b>	<b>\$76,792</b>	<b>\$931,310</b>	
<b>Expenses</b>														
<b>Operating Expenses</b>														
<b>Depreciation:</b>														
Dickinson	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	29,052
Watford City	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	9,006	108,072
Mandan	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	1,858	22,296
Crosby	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	23,640
Bismarck	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	16,728
Mobile Substation	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	42,948
<b>Total Depreciation</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>20,228</b>	<b>242,736</b>
Property Tax 3/	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,062	36,700
<b>Total Expenses</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,286</b>	<b>\$23,290</b>	<b>\$279,436</b>	
<b>Income before Taxes (EBIT)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,286)</b>	<b>(\$23,290)</b>	<b>(\$279,436)</b>	
Interest Expense	25,113	25,050	24,989	24,931	24,875	24,821	24,770	24,721	24,674	24,629	24,587	24,548	297,708	
<b>Taxable income</b>	<b>(\$48,399)</b>	<b>(\$48,336)</b>	<b>(\$48,275)</b>	<b>(\$48,217)</b>	<b>(\$48,161)</b>	<b>(\$48,107)</b>	<b>(\$48,056)</b>	<b>(\$48,007)</b>	<b>(\$47,960)</b>	<b>(\$47,915)</b>	<b>(\$47,873)</b>	<b>(\$47,838)</b>	<b>(\$577,144)</b>	
Income Taxes 4/	(\$11,812)	(\$11,796)	(\$11,781)	(\$11,767)	(\$11,754)	(\$11,740)	(\$11,728)	(\$11,716)	(\$11,705)	(\$11,694)	(\$11,683)	(\$11,675)	(\$140,851)	
<b>Operating Income</b>	<b>(\$11,474)</b>	<b>(\$11,490)</b>	<b>(\$11,505)</b>	<b>(\$11,519)</b>	<b>(\$11,532)</b>	<b>(\$11,546)</b>	<b>(\$11,558)</b>	<b>(\$11,570)</b>	<b>(\$11,581)</b>	<b>(\$11,592)</b>	<b>(\$11,603)</b>	<b>(\$11,615)</b>	<b>(\$138,585)</b>	
<b>Revenue Requirement</b>	<b>\$119,100</b>	<b>\$118,861</b>	<b>\$118,629</b>	<b>\$118,406</b>	<b>\$118,192</b>	<b>\$117,988</b>	<b>\$117,791</b>	<b>\$117,604</b>	<b>\$117,426</b>	<b>\$117,256</b>	<b>\$117,096</b>	<b>\$116,948</b>	<b>\$1,415,297</b>	

Factor 15-Integrated Sys. 12  
Month Peak Demand 2021  
70.990922%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2021:  
Monthly: 169,505  
14,125

	January	February	March	April	May	June	July	August	September	October	November	December
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
	12,964	11,881	10,681	9,520	8,320	7,159	5,959	4,760	3,599	2,400	1,239	38

2/ Authorized capital structure with authorized return on equity from most recent rate case.

	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%	9.650%	4.960%
	100.000%		7.364%

3/ Property tax:

Estimated 2021 Property Tax:	51,697
ND Fac. #15:	70.990922%
Estimated ND Property Tax:	36,700
Monthly:	3,058

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Leola Substation  
Approved Project Projection**

Integrated System Project

ND Demand Allocation (15): 70.990922%

Plant in Service, estimated in service date September 2020. Depreciation expense starts October 2020.

	<b>Plant</b>		<b>Depreciation</b>
Leola Substation:	2,575,700	Plant (ND Alloc):	1,847,255
Node:	26,400	Depreciation Rate:	1.58%
Total:	\$2,602,100	Annual Depreciation	\$29,187
ND Demand Allocation (15):	70.990922%		
	\$1,847,255	Monthly Depreciation:	\$2,432

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$1,847,255	Year end plant balance:	\$1,847,255
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	69,272	Tax Depreciation:	133,353
Book Depreciation:	7,296	Book Depreciation:	29,187
Remainder:	61,976	Remainder:	104,166
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$15,125	Deferred Income Tax:	\$25,422

Property Tax:

	<b>SD</b>
Year End Plant Balance:	\$2,602,100
Effective Rate:	0.41% (Ad Valorem - Transmission)
Property Tax:	\$10,669

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Watford City Lines  
Approved Project Projection**

Direct to North Dakota Project

Plant in Service, estimated in service date December 2020. Depreciation expense starts January 2021.

	<b>Plant</b>		<b>Depreciation</b>
Phase I Lines:	\$1,300,000	Plant (ND Alloc):	1,300,000
		Depreciation Rate:	2.03%
		Annual Depreciation	\$26,390
		Monthly Depreciation:	\$2,199

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$1,300,000	Year end plant balance:	\$1,300,000
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	48,750	Tax Depreciation:	93,847
Book Depreciation:	0	Book Depreciation:	26,390
Remainder:	48,750	Remainder:	67,457
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$11,897	Deferred Income Tax:	\$16,463

Property Tax:

	<b>ND</b>
Year End Plant Balance:	\$1,300,000
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	\$4,420

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Richland Reconductor Circuit  
Approved Project Projection**

Integrated System Project

ND Demand Allocation (15): 70.990922%

Plant in Service, estimated in service date July 2020. Depreciation expense starts August 2020.

	<b>Plant</b>		<b>Depreciation</b>
Lines:	930,700	Plant (ND Alloc):	660,713
ND Demand Allocation (15):	70.990922%	Depreciation Rate:	1.53%
	\$660,713	Annual Depreciation	\$10,109
		Monthly Depreciation:	\$842

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$660,713	Year end plant balance:	\$660,713
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	24,777	Tax Depreciation:	47,697
Book Depreciation:	4,210	Book Depreciation:	10,109
Remainder:	20,567	Remainder:	37,588
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$5,019	Deferred Income Tax:	\$9,173

Property Tax:

	<b>MT</b>
Year End Plant Balance:	\$930,700
Effective Rate:	2.56% (Ad Valorem - Transmission)
Property Tax:	\$23,826

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Dickinson Lines  
Proposed Project Projection**

Integrated System Project

ND Demand Allocation (15): 70.990922%

Plant in Service, estimated in service date October 2020. Depreciation expense starts November 2020.

	<u>Plant</u>		<u>Depreciation</u>
Lines:	2,016,000	Plant (ND Alloc):	1,431,177
ND Demand Allocation (15):	70.990922%	Depreciation Rate:	2.03%
	<u>\$1,431,177</u>	Annual Depreciation	<u>\$29,053</u>
		Monthly Depreciation:	\$2,421

Deferred income tax, based on Half Year Convention, 20-year asset:

	<u>2020</u>		<u>2021</u>
Year end plant balance:	\$1,431,177	Year end plant balance:	\$1,431,177
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	53,669	Tax Depreciation:	103,317
Book Depreciation:	4,842	Book Depreciation:	29,053
Remainder:	48,827	Remainder:	74,264
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	<u>\$11,916</u>	Deferred Income Tax:	<u>\$18,124</u>

Property Tax:

	<u>ND</u>
Year End Plant Balance:	\$2,016,000
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	<u>\$6,854</u>

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Watford City Lines  
Proposed Project Projection**

Direct to North Dakota Project

Plant in Service, estimated in service date December 2020. Depreciation expense starts January 2021.

	<b>Plant</b>		<b>Depreciation</b>
Phase II Lines:	5,324,000	Plant (ND Alloc):	5,324,000
		Depreciation Rate:	2.03%
		Annual Depreciation	\$108,077
		Monthly Depreciation:	\$9,006

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$5,324,000	Year end plant balance:	\$5,324,000
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	199,650	Tax Depreciation:	384,340
Book Depreciation:	0	Book Depreciation:	108,077
Remainder:	199,650	Remainder:	276,263
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$48,724	Deferred Income Tax:	\$67,422

Property Tax:

	<b>ND</b>
Year End Plant Balance:	\$5,324,000
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	\$18,102

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Mandan Substation and Lines  
Proposed Project Projection**

Integrated System Project

ND Demand Allocation (15): 70.990922%

Plant in Service, estimated in service date November 2020. Depreciation expense starts December 2020.

		<b>Plant</b>	<b>Depreciation</b>	
			Substation	Lines
Substation - Phase 1:		1,200,000	Plant (ND Alloc): 851,891	435,227
Lines:		613,074	Depreciation Rate: 1.58%	2.03%
		1,813,074	Annual Depreciation	\$13,460
ND Demand Allocation (15):		70.990922%	Monthly Depreciation:	\$1,122
		\$1,287,118		\$736

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$1,287,118	Year end plant balance:	\$1,287,118
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	48,267	Tax Depreciation:	92,917
Book Depreciation:	1,858	Book Depreciation:	22,295
Remainder:	46,409	Remainder:	70,622
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$11,326	Deferred Income Tax:	\$17,235

Property Tax:

	<b>ND</b>
Year End Plant Balance:	\$1,813,074
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	\$6,164

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Crosby to Zahl Rebuild  
Proposed Project Projection**

Direct to North Dakota Project

Plant in Service, estimated in service date April 2020. Depreciation expense starts May 2020.

	<b>Plant</b>		<b>Depreciation</b>
Lines:	1,164,700	Plant (ND Alloc):	1,164,700
		Depreciation Rate:	2.03%
		Annual Depreciation	\$23,643
		Monthly Depreciation:	\$1,970

Deferred income tax, based on Half Year Convention, 20-year asset:

	<b>2020</b>		<b>2021</b>
Year end plant balance:	\$1,164,700	Year end plant balance:	\$1,164,700
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	43,676	Tax Depreciation:	84,080
Book Depreciation:	15,760	Book Depreciation:	23,643
Remainder:	27,916	Remainder:	60,437
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$6,813	Deferred Income Tax:	\$14,750

Property Tax:

	<b>ND</b>
Year End Plant Balance:	\$1,164,700
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	\$3,960

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Bismarck Transmission Terminal  
Proposed Project Projection**

Direct to North Dakota Project

Plant in Service, estimated in service October 2020. Depreciation expense starts in November 2020.

	<u>Plant</u>		<u>Depreciation</u>
			<u>Terminal</u>
Transmission terminal:	1,058,400	Plant (ND Alloc):	1,058,400
		Depreciation Rate:	1.58%
		Annual Depreciation	\$16,723
		Monthly Depreciation:	\$1,394

Deferred income tax, based on Half Year Convention, 20-year asset:

	<u>2020</u>		<u>2021</u>
Year end plant balance:	\$1,058,400	Year end plant balance:	\$1,058,400
Tax Depreciation Rate:	3.750%	Tax Depreciation Rate:	7.219%
Tax Depreciation:	39,690	Tax Depreciation:	76,406
Book Depreciation:	2,788	Book Depreciation:	16,723
Remainder:	36,902	Remainder:	59,683
Income Tax Rate:	24.40%	Income Tax Rate:	24.40%
Deferred Income Tax:	\$9,006	Deferred Income Tax:	\$14,566

Property Tax:

	<u>ND</u>
Year End Plant Balance:	\$1,058,400
Effective Rate:	0.34% (Ad Valorem - Transmission)
Property Tax:	\$3,599

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Mobile Substation  
Proposed Project Projection**

Integrated System Project

ND Demand Allocation (15): 70.990922%

Plant in Service, estimated in service August 2020, depreciation expense starts September 2020.

	<u>Plant</u>		<u>Depreciation</u> <u>Substation</u>
Substation:	3,828,941	Plant (ND Alloc):	2,718,201
ND Demand Allocation (15):	<u>70.990922%</u>	Depreciation Rate:	<u>1.58%</u>
	\$2,718,201	Annual Depreciation	\$42,948
		Monthly Depreciation:	\$3,579

Deferred income tax, based on Half Year Convention, 20-year asset:

	<u>2020</u>		<u>2021</u>
Year end plant balance:	\$2,718,201	Year end plant balance:	\$2,718,201
Tax Depreciation Rate:	<u>3.750%</u>	Tax Depreciation Rate:	<u>7.219%</u>
Tax Depreciation:	101,933	Tax Depreciation:	196,227
Book Depreciation:	<u>14,316</u>	Book Depreciation:	<u>42,948</u>
Remainder:	87,617	Remainder:	153,279
Income Tax Rate:	<u>24.40%</u>	Income Tax Rate:	<u>24.40%</u>
Deferred Income Tax:	\$21,383	Deferred Income Tax:	\$37,408

Property Tax:

	<u>ND</u>
Year End Plant Balance:	\$3,828,941
Effective Rate:	<u>0.34%</u> (Ad Valorem - Transmission)
Property Tax:	\$13,018

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

	Cumulative							
	Beginning Balance	Less: Revenue Collected 1/	Add: Revenue Requirement 2/	Ending Balance 3/	Carrying Charge Calculation			Grand Total (Over)/Under Collection
				Deferred Income Tax	Net Balance	Rate 4/	Carrying Charge 4/	
May 2019			(404,313) 5/	-	(404,313)	2.3500%		(346,692) 5/
June	(404,313)	539,817	757,363	(186,767)	-	(186,767)	2.1700%	(731)
July	(186,767)	649,448	680,904	(155,311)	-	(155,311)	2.1000%	(327)
August	(155,311)	705,253	791,510	(69,054)	-	(69,054)	1.9500%	(252)
September	(69,054)	618,326	505,954	(181,426)	-	(181,426)	1.8900%	(109)
October	(181,426)	652,125	721,432	(112,119)	-	(112,119)	1.6500%	(249)
November	(112,119)	649,495	663,799	(97,815)	-	(97,815)	1.5400%	(144)
December	(97,815)	805,965	736,949	(166,831)	-	(166,831)	1.5400%	(126)
January 2020	(166,831)	946,004	750,664	(362,171)	-	(362,171)	1.5200%	(211)
February	(362,171)	788,641	1,209,449	58,637	14,310	44,327	1.5200%	(459)
March	58,637	814,796	1,170,072	413,913	101,015	312,898	0.2900%	11
April	413,913	723,088	1,098,942	789,767	192,742	597,025	0.1400%	37
May	789,767	562,856	1,023,575	1,250,486	305,180	945,306	0.1300%	65
June - Est.	1,250,486	680,876	1,023,323	1,592,933	388,754	1,204,179	0.1300%	102
Total		\$9,136,690	\$11,133,936				(\$2,393)	

1/ Revenue collected on actual sales volume through May 2020 at the approved rates authorized in Case No. PU-18-379, and updated rates effective October 28, 2019 authorized in Case No. PU-19-285.

2/ Total revenue requirement:

	MISO/SPP Revenue Requirement	Assets Revenue Requirement	Total Revenue Requirement
June 2019	\$709,585	\$47,778	\$757,363
July	659,131	21,773	680,904
August	769,747	21,763	791,510
September	484,213	21,741	505,954
October	693,089	28,343	721,432
November	634,265	29,534	663,799
December	688,750	48,199	736,949
January 2020	696,182	54,482	750,664
February	1,105,510	103,939	1,209,449
March	1,014,203	155,869	1,170,072
April	933,779	165,163	1,098,942
May	858,671	164,904	1,023,575
June - Est	858,671	164,652	1,023,323
Total	\$10,105,796	\$1,028,140	\$11,133,936

3/ (Over)/Under collection on revenue requirement not including the carrying charge, for use in calculating the carrying charge.

4/ Carrying charges calculated based on the three-month Treasury Bill rate, based on prior month ending balance.

5/ Balance as of May 31, 2019 per Docket No. PU-19-285, Exhibit 5, page 1.

**Montana-Dakota Utilities Co.**  
**Electric Utility - North Dakota**  
**Transmission Cost Recovery Rider**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Twelve Months Ended June 30, 2020**

	Per Books											Projected	Total	
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20		
Facility Sharing Agreement	20,333	20,333	20,333	20,333	20,333	20,337	20,333	20,333	20,333	20,333	20,333	20,333	20,333	\$244,000
<b>MISO</b>														
Revenue/Credits														
Schedule 1	2,668	2,648	2,576	2,807	2,732	2,902	10,283	9,941	9,000	9,046	8,375	8,375	71,353	
Schedule 2	22,555	22,480	19,938	22,117	24,601	24,491	26,057	24,121	22,028	22,235	20,320	20,320	271,263	
Schedule 7	79,887	79,894	77,457	83,517	74,890	77,203	76,986	69,904	86,015	71,862	92,113	92,113	961,841	
Schedule 8	1,162	1,750	2,134	2,592	1,969	1,498	1,526	1,078	698	(20,095)	6,566	6,566	7,444	
Schedule 9	305,795	304,017	235,682	282,579	381,217	358,321	391,988	349,055	282,675	300,125	231,661	231,661	3,654,776	
Sch. 9 Pay to Basin	(55,540)	(55,540)	(55,540)	(55,540)	(55,540)	(55,540)	(55,540)	(55,540)	(53,617)	(54,899)	(54,899)	(54,899)	(662,634)	
Schedule 24	61,858	78,783	58,915	75,592	41,745	73,425	70,119	59,428	61,766	71,253	56,627	56,627	766,138	
Schedule 26	109,880	103,664	152,390	91,165	86,303	91,058	71,973	65,011	64,694	15,692	81,475	81,475	1,014,780	
Schedule 37	963	963	963	963	963	963	821	798	821	327	924	924	10,393	
Schedule 38	1,131	1,131	1,131	1,131	1,131	1,131	1,023	992	1,023	206	1,194	1,194	12,418	
	530,359	539,790	495,646	506,923	560,011	575,452	595,236	524,788	475,103	415,752	444,356	444,356	6,107,772	
<b>Charges</b>														
Schedule 10														
Energy	30,760	38,046	49,400	56,255	44,327	55,730	46,257	64,087	42,914	69,986	46,183	46,183	590,128	
Demand	2,241	2,772	3,599	4,098	3,229	4,060	3,370	4,669	3,126	5,098	3,364	3,364	42,990	
FERC	21,494	20,549	19,956	18,731	18,017	20,988	22,431	19,549	18,910	16,879	14,368	14,368	226,240	
	54,495	61,367	72,955	79,084	65,573	80,778	72,058	88,305	64,950	91,963	63,915	63,915	859,358	
Schedule 11 - Misc	368	(24)	0	0	0	0	0	0	(25)	0	64	64	447	
Schedule 26	165,358	166,468	162,218	152,262	146,459	170,605	154,958	131,170	129,024	50,211	112,793	112,793	1,654,319	
Schedule 26A	370,070	391,410	349,441	365,053	401,212	464,130	559,341	424,889	478,765	423,825	370,273	370,273	4,968,682	
Total MISO Charges	590,291	619,221	584,614	596,399	613,244	715,513	786,357	644,364	672,714	565,999	547,045	547,045	7,482,806	

**Montana-Dakota Utilities Co.**  
**Electric Utility - North Dakota**  
**Transmission Cost Recovery Rider**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Twelve Months Ended June 30, 2020**

	Per Books											Projected	Total
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
<b>SPP</b>													
Revenue/Credits													
Facility Credits	859,996	859,996	859,997	859,997	859,997	859,996	859,997	537,735	698,866	698,866	698,866	698,866	9,353,175
Charges													
Schedule 1	66,415	55,657	67,351	38,975	60,653	61,427	61,689	89,506	59,972	48,807	49,898	49,898	710,248
Schedule 1a	79,123	254,669	(166,460)	162,804	87,309	78,810	87,466	100,037	90,839	103,941	91,705	91,705	1,061,948
Schedule 2	0	0	0	0	0	6,901	(3,451)	0	62	6,381	2,585	2,585	15,063
Schedule 8	0	0	0	0	0	0	(1)	0	0	0	0	0	(1)
Schedule 9	1,457,441	1,417,846	1,414,317	1,414,317	1,414,327	1,405,474	1,356,499	1,548,639	1,578,073	1,521,706	1,537,106	1,537,106	17,602,851
Schedule 11	129,083	136,215	140,024	137,678	137,413	135,886	142,827	232,741	203,391	195,362	134,131	134,131	1,858,882
Schedule 12	17,669	21,806	18,839	14,291	21,669	22,868	24,844	24,824	17,889	8,104	10,635	10,635	214,073
<b>Total SPP Charges</b>	<b>1,749,731</b>	<b>1,886,193</b>	<b>1,474,071</b>	<b>1,768,065</b>	<b>1,721,371</b>	<b>1,711,366</b>	<b>1,669,873</b>	<b>1,995,747</b>	<b>1,950,226</b>	<b>1,884,301</b>	<b>1,826,060</b>	<b>1,826,060</b>	<b>21,463,064</b>
<b>Total Revenue/Credits:</b>													
Facility Sharing	20,333	20,333	20,333	20,333	20,333	20,337	20,333	20,333	20,333	20,333	20,333	20,333	244,000
MISO	530,359	539,790	495,646	506,923	560,011	575,452	595,236	524,788	475,103	415,752	444,356	444,356	6,107,772
SPP	859,996	859,996	859,997	859,997	859,997	859,996	859,997	537,735	698,866	698,866	698,866	698,866	9,353,175
	1,410,688	1,420,119	1,375,976	1,387,253	1,440,341	1,455,785	1,475,566	1,082,856	1,194,302	1,134,951	1,163,555	1,163,555	15,704,947
Allocated to ND 1/	1,000,533	1,007,222	975,913	983,911	1,021,564	1,032,518	1,047,518	768,729	847,846	805,712	826,018	826,018	11,143,502
<b>Total Charges:</b>													
MISO	590,291	619,221	584,614	596,399	613,244	715,513	786,357	644,364	672,714	565,999	547,045	547,045	7,482,806
SPP	1,749,731	1,886,193	1,474,071	1,768,065	1,721,371	1,711,366	1,669,873	1,995,747	1,950,226	1,884,301	1,826,060	1,826,060	21,463,064
	2,340,022	2,505,414	2,058,685	2,364,464	2,334,615	2,426,879	2,456,230	2,640,111	2,622,940	2,450,300	2,373,105	2,373,105	28,945,870
Allocated to ND 1/	1,659,664	1,776,969	1,460,126	1,677,000	1,655,829	1,721,268	1,743,700	1,874,239	1,862,049	1,739,491	1,684,689	1,684,689	20,539,713
<b>Net Expense - ND</b>	<b>\$659,131</b>	<b>\$769,747</b>	<b>\$484,213</b>	<b>\$693,089</b>	<b>\$634,265</b>	<b>\$688,750</b>	<b>\$696,182</b>	<b>\$1,105,510</b>	<b>\$1,014,203</b>	<b>\$933,779</b>	<b>\$858,671</b>	<b>\$858,671</b>	<b>\$9,396,211</b>

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand:

2019  
70.925157%

2020  
70.990922%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Recovery Rider  
Revenue Requirement  
Actual Year End 2019**

	Actual												Average Balance
	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	
<b>Rate Base</b>													
<b>Plant Balance:</b>													
Bowdle	\$0	\$0	\$0	\$0	\$2,157,987	\$2,247,091	\$2,255,742	\$2,257,050	\$2,257,772	\$2,251,312	\$2,253,303	\$2,252,733	
Leola	0	0	0	0	0	0	0	0	0	892,024	897,292	887,516	
Watford City	0	0	0	0	0	0	0	0	0	0	0	1,818,244	
Lightning Protection	0	0	0	0	0	0	0	0	0	0	0	346,775	
<b>Total Plant Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,157,987</b>	<b>\$2,247,091</b>	<b>\$2,255,742</b>	<b>\$2,257,050</b>	<b>\$2,257,772</b>	<b>\$3,143,336</b>	<b>\$3,150,595</b>	<b>\$5,305,268</b>	<b>\$1,897,903</b>
<b>Accumulated Reserve:</b>													
Bowdle	\$0	\$0	\$0	\$0	\$0	\$2,849	\$5,836	\$8,837	\$11,839	\$14,842	\$17,837	\$20,835	
Leola	0	0	0	0	0	0	0	0	0	0	1,177	2,362	
Watford City	0	0	0	0	0	0	0	0	0	0	0	33,813	
Lightning Protection	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Accumulated Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,849</b>	<b>\$5,836</b>	<b>\$8,837</b>	<b>\$11,839</b>	<b>\$14,842</b>	<b>\$19,014</b>	<b>\$57,010</b>	<b>\$10,019</b>
<b>Net Plant in Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,157,987</b>	<b>\$2,244,242</b>	<b>\$2,249,906</b>	<b>\$2,248,213</b>	<b>\$2,245,933</b>	<b>\$3,128,494</b>	<b>\$3,131,581</b>	<b>\$5,248,258</b>	<b>\$1,887,885</b>
Accum Def Income Taxes 1/	\$3,228	\$6,186	\$8,846	\$11,216	\$13,288	\$15,070	\$16,554	\$17,739	\$18,635	\$19,233	\$19,541	\$19,550	
<b>Total Plant in Service</b>	<b>(\$3,228)</b>	<b>(\$6,186)</b>	<b>(\$8,846)</b>	<b>(\$11,216)</b>	<b>\$2,144,699</b>	<b>\$2,229,172</b>	<b>\$2,233,352</b>	<b>\$2,230,474</b>	<b>\$2,227,298</b>	<b>\$3,109,261</b>	<b>\$3,112,040</b>	<b>\$5,228,708</b>	<b>\$1,873,794</b>
<b>Return on Rate Base 2/</b>	<b>(\$20)</b>	<b>(\$38)</b>	<b>(\$54)</b>	<b>(\$69)</b>	<b>\$13,161</b>	<b>\$13,680</b>	<b>\$13,705</b>	<b>\$13,688</b>	<b>\$13,668</b>	<b>\$19,080</b>	<b>\$19,098</b>	<b>\$32,087</b>	<b>\$137,986</b>
<b>Expenses</b>													
<b>Operating Expenses</b>													<b>Year End</b>
<b>Depreciation:</b>													
Bowdle	\$0	\$0	\$0	\$0	\$0	\$2,849	\$2,988	\$3,000	\$3,002	\$3,003	\$2,995	\$2,998	
Leola	0	0	0	0	0	0	0	0	0	0	1,177	1,184	
Watford City	0	0	0	0	0	0	0	0	0	0	0	2,816	
Lightning Protection	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,849</b>	<b>2,988</b>	<b>3,000</b>	<b>3,002</b>	<b>3,003</b>	<b>4,172</b>	<b>6,998</b>	<b>26,012</b>
Property Tax 3/	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,066	24,825
<b>Total Expenses</b>	<b>\$2,069</b>	<b>\$2,069</b>	<b>\$2,069</b>	<b>\$2,069</b>	<b>\$2,069</b>	<b>\$4,918</b>	<b>\$5,057</b>	<b>\$5,069</b>	<b>\$5,071</b>	<b>\$5,072</b>	<b>\$6,241</b>	<b>\$9,064</b>	<b>\$50,837</b>
<b>Income before Taxes (EBIT)</b>	<b>(\$2,069)</b>	<b>(\$2,069)</b>	<b>(\$2,069)</b>	<b>(\$2,069)</b>	<b>(\$2,069)</b>	<b>(\$4,918)</b>	<b>(\$5,057)</b>	<b>(\$5,069)</b>	<b>(\$5,071)</b>	<b>(\$5,072)</b>	<b>(\$6,241)</b>	<b>(\$9,064)</b>	<b>(\$50,837)</b>
Interest Expense	(6)	(12)	(17)	(22)	4,207	4,373	4,381	4,375	4,369	6,099	6,105	10,257	44,109
<b>Taxable income</b>	<b>(\$2,063)</b>	<b>(\$2,057)</b>	<b>(\$2,052)</b>	<b>(\$2,047)</b>	<b>(\$6,276)</b>	<b>(\$9,291)</b>	<b>(\$9,438)</b>	<b>(\$9,444)</b>	<b>(\$9,440)</b>	<b>(\$11,171)</b>	<b>(\$12,346)</b>	<b>(\$19,321)</b>	<b>(\$94,946)</b>
Income Taxes 4/	(\$503)	(\$502)	(\$501)	(\$500)	(\$1,532)	(\$2,267)	(\$2,303)	(\$2,305)	(\$2,304)	(\$2,726)	(\$3,013)	(\$4,715)	(\$23,171)
<b>Operating Income</b>	<b>(\$1,566)</b>	<b>(\$1,567)</b>	<b>(\$1,568)</b>	<b>(\$1,569)</b>	<b>(\$537)</b>	<b>(\$2,651)</b>	<b>(\$2,754)</b>	<b>(\$2,764)</b>	<b>(\$2,767)</b>	<b>(\$2,346)</b>	<b>(\$3,228)</b>	<b>(\$4,349)</b>	<b>(\$27,666)</b>
<b>Revenue Requirement</b>	<b>\$2,045</b>	<b>\$2,023</b>	<b>\$2,003</b>	<b>\$1,984</b>	<b>\$18,120</b>	<b>\$21,603</b>	<b>\$21,773</b>	<b>\$21,763</b>	<b>\$21,741</b>	<b>\$28,343</b>	<b>\$29,534</b>	<b>\$48,199</b>	<b>\$219,131</b>

Factor 15-Integrated Sys. 12 2019  
Month Peak Demand 70.925157%

1/ Monthly Deferred Income Tax activity is 1/12 of 2019 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2019: 42,205  
Monthly: 3,517

January	February	March	April	May	June	July	August	September	October	November	December
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
3,228	2,958	2,660	2,370	2,072	1,782	1,484	1,185	896	598	308	9

2/ Authorized capital structure with authorized return on equity from most recent rate case.

	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%	9.650%	4.960%
	100.000%		7.364%

3/ Property tax:

2019 Property Tax:	35,001
ND Fac. #15:	70.925157%
Estimated ND Property Tax:	24,825
Monthly:	2,069

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

## Summary of MISO and SPP Revenues, Credits, and Charges

### Revenue or Credits Received by Montana-Dakota

Facility Sharing Agreement:	Revenue received from Basin Electric Power Cooperative (BEPC) for the use of Montana-Dakota's facilities to serve BEPC member cooperative loads
MISO Schedule 1:	Revenue received for Montana-Dakota's scheduling and administration of moving power through MISO
MISO Schedule 2:	Revenue received for Montana-Dakota's maintenance of voltage on the system
MISO Schedule 7:	Revenue received by Montana-Dakota for Firm Point to Point Transmission Service
MISO Schedule 8:	Revenue received by Montana-Dakota for Non-Firm Point to Point Transmission Service
MISO Schedule 9:	Revenue received by Montana-Dakota for Network Integration Transmission Service (NITS). This revenue is then offset to reflect the revenue requirements of BEPC member cooperatives received by Montana-Dakota from MISO for transmission service in Montana-Dakota's pricing zone that are in turn paid to BEPC.
MISO Schedule 24:	Revenue received by Montana-Dakota as a Load Balancing Authority which it receives for services provided to others in MISO.
MISO Schedule 26:	<p>Reflects Montana-Dakota's projected 2019 MISO Attachment GG revenue requirement for MISO Transmission Expansion Plan (MTEP) project 1355 (Heskett Substation). The Heskett Substation was deemed a baseline reliability projected under MISO's 2009 MTEP.</p> <p>Montana-Dakota does not include the projected revenue for MISO Schedules 37 and 38 as MISO does not provide a separate forecast for those revenues. The revenues received under these schedules represent Montana-Dakota's share of the Schedule 26 cost allocation assigned to former MISO transmission owners that have withdrawn from MISO, but have an obligation to pay for MISO Schedule 26 projects due to their prior MISO membership. The actual revenues received by</p>

	Montana-Dakota for MISO Schedules 37 and 38 are identified as such and therefore are included separately in Attachment C
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**Expenses Paid by Montana-Dakota**

MISO Schedule 10:	Charges paid by Montana-Dakota for MISO Schedule 10 charges and direct FERC assessments. As transmission providers, both MISO, on behalf of Montana-Dakota, and Montana-Dakota are assessed annual charges by the FERC in accordance with FERC regulations.
MISO Schedule 26:	Reflects MISO's 2019 indicative charge for Pricing Zone for Approved Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects. The Schedule 26 charges reflect Montana-Dakota's share of costs for projects that qualify for regional cost allocation under the MISO tariff.
MISO Schedule 26A:	Reflect Montana-Dakota's forecasted load at the indicative charge with Montana-Dakota's share of the Big Stone South to Ellendale (BSSE) retail revenue requirement stated separately. Montana-Dakota's share of the BSSE retail revenue requirement reflects the estimated retail portion of the BSSE project using Montana-Dakota's load share within the MISO footprint and the Company's projected MISO Attachment MM revenue requirement for MTEP Project 2220 (BSSE MVP Project). The BSSE MVP project is one of seventeen MVPs approved by MISO as part of the MTEP 2011 report. Schedule 26A is charged equally to all MISO load for recovery of MISO's MVP portfolio.
SPP Schedule 1:	Charges paid by Montana-Dakota to SPP for the scheduling and administration of power through SPP.
SPP Schedule 1a:	Charges paid by Montana-Dakota to SPP for SPP's administration of the market and transmission system.
SPP Schedule 9:	Charges paid by Montana-Dakota for Network Integration Transmission Service. Also reflected are the payments (SPP Section 30.9 Facility Credits) made for SPP's use of Montana-Dakota's transmission facilities.

SPP Schedule 11:	Charges paid by Montana-Dakota associated with Highway Byway cost allocated network upgrades. A network customer's firm network transmission charge is a combination of Schedules 9 and 11.
SPP Schedule 12:	The FERC assessments to SPP associated with Montana-Dakota's loads on the SPP system, similar to MISO's Schedule 10 charges.

**Montana-Dakota Utilities Co.**  
**Electric Utility**  
**MISO Revenue Schedules 1, 2, 7, 8, and 24**  
**Projected Twelve Months Ending June 2021**

	<u>Schedule 1 1/</u>	<u>Schedule 2 1/</u>	<u>Schedule 7 1/</u>	<u>Schedule 8 1/</u>	<u>Schedule 24 1/</u>
July 2020	\$5,463	\$22,669	\$78,922	\$216	\$64,162
August	5,463	22,669	78,922	216	64,162
September	5,463	22,669	78,922	216	64,162
October	5,463	22,669	78,922	216	64,162
November	5,463	22,669	78,922	216	64,162
December	5,463	22,669	78,922	216	64,162
January 2021	5,463	22,669	78,922	216	64,162
February	5,463	22,669	78,922	216	64,162
March	5,463	22,669	78,922	216	64,162
April	5,463	22,669	78,922	216	64,162
May	5,463	22,669	78,922	216	64,162
June	5,458	22,673	78,922	217	64,159
	<u>\$65,551</u>	<u>\$272,032</u>	<u>\$947,064</u>	<u>\$2,593</u>	<u>\$769,941</u>

1/ Reflects twelve months ended May 31, 2020 per books.

**Montana-Dakota Utilities Co.  
Electric Utility  
MISO Schedule 10 Expenses  
Projected Twelve Months Ending June 2021**

	Schedule 10 1/			
	MISO - Energy	MISO - Demand	FERC - Direct	Total
July 2020	\$48,780	\$3,554	\$24,584	\$76,918
August	48,780	3,554	24,584	76,918
September	48,780	3,554	24,584	76,918
October	48,780	3,554	24,584	76,918
November	48,780	3,554	24,584	76,918
December	48,780	3,554	24,584	76,918
January 2021	48,780	3,554	24,584	76,918
February	48,780	3,554	24,584	76,918
March	48,780	3,554	24,584	76,918
April	48,780	3,554	24,584	76,918
May	48,780	3,554	24,584	76,918
June	48,785	3,549	24,582	76,916
	<u>\$585,365</u>	<u>\$42,643</u>	<u>\$295,006</u>	<u>\$923,014</u>

1/ Reflects twelve months ended May 31, 2020 per books.

**Montana-Dakota Utilities Co.  
Electric Utility  
MISO Schedule 26 Expense  
Projected Twelve Months Ending June 2021**

	Charges 1/	Revenue 2/
July 2020	\$209,818	\$78,194
August	209,818	78,194
September	209,818	78,194
October	209,818	78,194
November	209,818	78,194
December	209,818	78,192
January 2021	208,846	78,194
February	208,846	78,194
March	208,846	78,194
April	208,846	78,194
May	208,846	78,194
June	208,846	78,194
Total	<u>\$2,511,984</u>	<u>\$938,326</u>

1/ Schedule 26 indicative costs posted by MISO as of July 23, 2019:

2020 Indicative Charge           \$2,517,811

2021 Indicative Charge           \$2,506,150

2/ Montana-Dakota's projected 2019 revenue requirement for its MTEP project 1355 (Heskett Substation) recovered under Schedule 26

\$938,326

**Montana-Dakota Utilities Co.  
Electric Utility  
MISO Schedule 26A Expenses  
Projected Twelve Months Ending June 2021**

	BSSE MVP Project		All Other MVP Projects		Total Schedule 26A Expenses	A&G Revenue Credit 5/
	Revenue Requirement 1/	Integrated System Retail Revenue Requirement 2/	Total Integrated Requirements MWh 3/	Total MVP Charges (excl. BSSE Retail Rev. Req.) 4/		
July 2020	\$1,112,558	\$8,233	292,107	\$488,349	\$496,582	\$86,248
August	1,112,558	8,233	281,066	469,579	477,812	86,248
September	1,112,558	8,233	253,115	422,063	430,296	86,248
October	1,112,558	8,233	254,166	423,849	432,082	86,248
November	1,112,558	8,233	283,392	473,533	481,766	86,248
December	1,112,558	8,233	332,782	557,496	565,729	86,248
January 2021	1,112,558	8,233	342,543	570,665	578,898	86,248
February	1,112,558	8,233	307,292	511,090	519,323	86,248
March	1,112,558	8,233	302,549	503,075	511,308	86,248
April	1,112,558	8,233	261,263	433,301	441,534	86,248
May	1,112,558	8,233	258,774	429,095	437,328	86,248
June	1,112,563	8,232	264,498	438,770	447,002	86,251
<b>Total</b>	<b>\$13,350,701</b>	<b>\$98,795</b>	<b>3,433,547</b>	<b>\$5,720,865</b>	<b>\$5,819,660</b>	<b>\$1,034,979</b>

1/ Montana-Dakota's Projected 2020 Revenue Requirement (Attachment MM) for the BSSE MVP projected to be recovered under Schedule 26A \$13,350,701

2/ Montana-Dakota's estimated retail portion of its BSSE project based on Montana-Dakota's load ratio share in the MISO footprint:  
0.74% 6/

3/ 2020 Electric Load Forecast

4/ Montana-Dakota's Indicative Annual MVP Charges for Approved MVPs as of July 30, 2019:

2020 Indicative Charge	\$1.70	July through December 2020
2021 Indicative Charge	\$1.69	January through June 2021

5/ Revenue credit for administrative and general O&M expenses recovered through MISO Attachment MM

Montana-Dakota's Projected 2020 Attachment MM's Other O&M Expense, Line 4b	0.83%
Projected Gross Plant in Service (CWIP) from Attachment MM	<u>\$124,696,278</u>
Annual A&G Retail Credit	\$1,034,979

6/ Montana-Dakota's total MVP charges including the BSSE project.

MDU Projected 2021 MWh Withdrawals - 7/30/2019 update	3,352,512
Total MISO MWh Withdrawals	451,216,029
Montana-Dakota's load share in MISO footprint	0.74%

**Montana-Dakota Utilities Co.**  
**Electric Utility**  
**MISO Schedule 9 Revenue, BEPC Payments & Credits, and**  
**Facility Sharing Agreement Revenue**  
**Projected Twelve Months Ending June 2021**

	MISO Sch 9 Revenue 1/	Payments to Basin 2/	Basin Facility Sharing Agreements 3/
July 2020	\$307,953	(\$52,955)	\$20,333
August	307,953	(\$52,955)	20,333
September	307,953	(\$52,955)	20,333
October	307,953	(\$52,955)	20,333
November	307,953	(\$52,955)	20,333
December	307,953	(\$52,955)	20,337
January 2021	307,953	(\$52,955)	20,333
February	307,953	(\$52,955)	20,333
March	307,953	(\$52,955)	20,333
April	307,953	(\$52,955)	20,333
May	307,953	(\$52,955)	20,333
June	307,950	(\$52,955)	20,333
	<u>\$3,695,433</u>	<u>(\$635,460)</u>	<u>\$244,000</u>

1/ Reflects twelve months ended May 31, 2020 per books.

2/ NITS Customer Revenue Requirements.

3/ Annual Facility Sharing Agreement revenue of \$244,000

**Montana-Dakota Utilities Co.  
Electric Utility  
SPP Revenue and Expenses  
Projected Twelve Months Ending June 2021**

	SPP Sch 1 1/	SPP Sch 1a 1/	Sch 9 NITS 1/	Sch 9 Fac. Credit 2/	SPP Sch 11 1/	SPP Sch 12 1/
July 2020	\$58,052	\$88,129	\$1,452,490	(\$698,866)	\$152,273	\$24,671
August	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
September	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
October	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
November	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
December	58,054	88,133	1,452,489	(\$698,861)	152,278	24,671
January 2021	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
February	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
March	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
April	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
May	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
June	58,052	88,129	1,452,490	(\$698,866)	152,273	24,671
	<u>696,626</u>	<u>1,057,552</u>	<u>17,429,879</u>	<u>(8,386,387)</u>	<u>1,827,281</u>	<u>296,052</u>

1/ Reflects twelve months ended May 31, 2020 per books.

2/ SPP Section 30.9 Facility Credits for 2020

## Notice of Annual Update to the Transmission Cost Adjustment Filed with the North Dakota Public Service Commission

On July 17, 2020, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Transmission Cost Adjustment (TCA) rates in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff that states the rates will be revised to reflect the current level of costs to be recovered.

The proposed TCA rates include North Dakota's allocation of transmission related net expenses assessed by both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission-related services currently not being recovered through the Company's electric service rates, the inclusion of specified transmission related capital projects, and a projected under-recovery of the deferred TCA balance.

Montana-Dakota has requested the proposed TCA rates be effective with service rendered on and after November 1, 2020, subject to Commission review and approval. The changes are only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a residential customer using 894 Kwh will see an increase of \$3.35 per month or an increase of \$40.20 annually. The TCA is shown as a separate line item on your bill.

	<u>Residential &amp; Small General</u>
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Proposed Rate	\$0.00849 per Kwh
Current Rate	\$0.00474 per Kwh
Change	\$0.00375 per Kwh
	<u>Large General &amp; Contracts</u>
Applicable Rate Schedules	30, 31, 32, 38, & 48
Proposed Rate	\$0.00678 per Kwh
Current Rate	\$0.00390 per Kwh
Change	\$0.00288 per Kwh
	<u>Lighting</u>
Applicable Rate Schedules	41 & 52
Proposed Rate	\$0.00323 per Kwh
Current Rate	\$0.00234 per Kwh
Change	\$0.00089 per Kwh

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.